

# ANNUAL BUDGET OF POLOKWANE MUNICIPALITY

## 2024/25- 2026/27 MEDIUM-TERM REVENUE AND EXPENDITURE FORECASTS



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

### **1. MULTI-YEAR BUDGET 2024/25 – 2026/2027**

#### **DIRECTORATE CHIEF FINANCIAL OFFICER**

#### **ITEM**

**REF: 5/1/4**

#### **MULTI-YEAR BUDGET 2024/25 – 2026/2027**

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

#### **Purpose**

The purpose of the report is to table the Multi-year Budget 2024/25 – 2026/27 Council for approval.

#### **Background**

The IDP/Budget Process Plan to review the 2024/25 IDP/Budget was adopted on 28th July 2023 in terms of the provision of the Municipal Finance Management Act. The process plan was revised on the 28<sup>th</sup> March 2024 taking into account the upcoming National Government elections. 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 2024/25 MTREF Budget places emphasis on inclusive growth, as well as a progressive programme of capital expenditures. The Draft MTREF Budget also relies on practice of good governance and a public ethic that values honesty and fairness. If we act together, on these principles, as public representatives, civil servants, business people, youth, workers and citizens, we can overcome the challenges of tough economic times and difficult adjustments. National Treasury's MFMA Circular No.126 was used to guide the compilation of the 2024/25 MTREF. In addition, this budget format and content incorporates the requirements of the Municipal Budget and Reporting Regulations.

The following budgeting focus areas were applied in formulating the medium-term budget:

- Revenue maximisation at realistic collection rates.
- Adequate allocation of resources to electricity, water and sanitation, waste and roads projects for capital and operational needs.
- Cost optimisation measures especially in contracted services and overtime.
- Consideration of the state of the consumer in determining tariff increases while at the same time not compromising financial viability.
- Ensuring value for providing free basic services to all households.
- Prioritize the filling of critical positions, especially linked to the delivery of basic services.
- **Reducing/ limiting overall expenditure to offset the impact of load shedding and the resultant 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 2024/25 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 collection rates
- Limited available own funding to fund much needed infrastructure.

## **1.1 OVERVIEW OF THE 2024/25 MTREF**

### **General economic overview**

The South African GDP (Gross Domestic Product) is expected to grow by 0.9 per cent in real terms in 2024, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks i.e. weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure including widespread criminal activity.

The SARB (South African Reserve Bank), reported a 1.3% contraction in the GDP for the last quarter which was almost 4 times worse than the 0.3% contraction anticipated by various economists. Another contraction in the next quarter will officially place South Africa in a technical recession.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state. These measures would certainly mitigate the non-systematic and systematic risks facing the nation.

### **Municipality economic overview**

The Polokwane municipality is unfortunately not immune to the economic risks facing the nation and the world and therefore a greater need to a balanced and realistic budget.

To mitigate and adapt to these challenges, the municipality will have to resort to budgetary constraints and enforce better processes for better productivity – “*do more with less*”. The budget process will have to pass the National Treasury’s assessment/test of a funded budget so that service delivery can continue without financial constraints impeding its basic service delivery goals.

To meet these objectives, the municipality has applied the following key measures in its budget:

- reduction in operational expenditure and in particular where more internal staff can be utilised instead of depending on service providers where practical
- reduction in own funded capital expenditure and better utilisation of grants.
- 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.
- aligning electricity tariffs in line with the time of use method to contain the Eskom bills
- allocating resources to revenue generation projects and budgeting for adequate cash backed reserves.
- 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 budget for the 2024/2025 financial year is R5.96 billion made up of an operating budget of R5.14 billion and a capital budget of R 820 million. The focus of this budget will be directed to the key areas in line with our promises to improve the lives of our people. Ensuring good governance in the City and ensuring the effective use of public funds and enhance accountability.

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

**Revenue: Tariff increases:**

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the **financial sustainability** of the municipality.

The Consumer Price Index (CPI) inflation is forecasted to be 4.9% in comparison to 5.3% last year CPI.

For the next financial year (**2024/25 financial year**), The slow economic growth than anticipated, high tariff increase by both Eskom and Lepelle Northern Water was considered in setting tariffs. As a result, the tariff for services (other than electricity and water) will increase by **6%** which is CPI plus **1.1%**.

**Water tariffs** will increase by **9%** which is the tariff increase by the Lepelle Northern Water.

**Electricity tariffs** will increase by **12.72%**. However, this is subject to NERSA finalizing the process before May of this year.



Description	2024/25 Medium Term Revenue & Expenditure Framework Proposed % increase		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>			
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Electricity	12.72%	13.00%	13.00%
Service charges - Water	9.00%	10.00%	10.00%
Service charges - Waste Water Management	6.00%	5.00%	6.00%
Service charges - Waste Management	6.00%	5.00%	6.00%
Sale of Goods and Rendering of Services	6.00%	5.00%	6.00%
Agency services	6.00%	5.00%	6.00%
Interest earned from Receivables	6.00%	5.00%	6.00%
Interest earned from Current and Non Current Assets	6.00%	5.00%	6.00%
Rental from Fixed Assets	6.00%	5.00%	6.00%
Licence and permits	6.00%	5.00%	6.00%
Operational Revenue	6.00%	5.00%	6.00%
<b>Non-Exchange Revenue</b>			
Property rates	3.00%	4.00%	5.00%
Fines, penalties and forfeits	6.00%	5.00%	6.00%
Transfer and subsidies - Operational	0.00%	0.00%	0.00%
Interest	6.00%	5.00%	6.00%
Operational Revenue	6.00%	5.00%	6.00%
<b>Revenue excluding capital transfers and subsidies</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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

### 1.1.1 Property Rates

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

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

#### **The following stipulations in the Property Rates Policy are highlighted:**

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

- 100 per cent rebate 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 2024/2025 financial year based on a proposed 3% increase from 1 July 2024 is contained below:

**Table 1 Comparison of proposed rates to levied for the 2024/25 financial year**

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

### 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 2024/2025 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

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.

T6.1		Current tariff From 1/07/2023	Proposed tariff From 1/07/2024	Proposed increase %
(i)	For the first 5Kl; per Kl:	R12.21	R12.94	6%
(ii)	For the following 10Kl; per Kl:	R19.20	R20.93	9%
(iii)	For the following 15Kl; per Kl:	R20.95	R22.84	9%
(iv)	For the following 20Kl; per Kl:	R27.94	R30.46	9%
(v)	For the following 50Kl; per Kl:	R33.20	R36.18	9%
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R40.19	R43.81	9%

The first 5kl will be increased by 6% only to cater for indigent subsidy.

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:

T6.2		Current tariff From 1/07/2023	Proposed tariff From 1/07/2024	Proposed increase %
(i)	For the first (5 x A) KI or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R12.21	R13.31	9%
(ii)	For the following (10 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R19.20	R20.93	9%
(iii)	For the following (15 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R20.95	R22.84	9%
(iv)	For the following (20 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R27.94	R30.46	9%
(v)	For the following (50 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R33.20	R36.18	9%
(vi)	Thereafter, for consumption in excess of 100KI, per KI:	R40.19	R43.81	9%

3. For the supply of water to customers from water hydrants:

T6.3		Current tariff From 1/07/2023	Proposed tariff From 1/07/2024	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 5KI per KI per month	R12.26	R13.36	9%

## **INDUSTRIALLY ZONED ERVEN**

1. 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		<b>Current tariff</b> <b>From</b> <b>1/07/2023</b>	<b>Proposed tariff</b> <b>From</b> <b>1/07/2024</b>	<b>Proposed increase</b> <b>%</b>
(i)	For the first 30Kl; per Kl:	R27.94	R30.46	9%
(ii)	For the following 20Kl; per Kl:	R36.69	R40.00	9%
(iii)	For the following 50Kl; per Kl:	R41.94	R45.71	9%
(iv)	For the following 19 900Kl; per Kl:	R47.18	R51.43	9%
(v)	Thereafter for consumption in excess of 20 000Kl, per Kl	R34.96	R38.10	9%

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 reading:

T6.5		<b>Current tariff</b> <b>From</b> <b>1/07/2023</b>	<b>Proposed tariff</b> <b>From</b> <b>1/07/2024</b>	<b>Proposed increase</b> <b>%</b>
(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	R27.94	R30.46	9%
(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	R36.69	R40.00	9%
(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	R41.94	R45.71	9%
(iv)	Thereafter, for consumption more than 100Kl, Per Kl	R47.18	R51.43	9%

## **BUSINESS/ COMMERCIAL AND ANY OTHER CUSTOMER**

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:

T6.6		<b>Current tariff</b> <b>From</b> <b>1/07/2023</b>	<b>Proposed tariff</b> <b>From</b> <b>1/07/2024</b>	<b>Proposed increase</b> <b>%</b>
(i)	For the first 30Kl, per Kl:	R27.94	R30.46	9%
(ii)	For the following 20Kl, per Kl:	R36.69	R40.00	9%
(iii)	For the following 50Kl, per Kl:	R41.94	R45.71	9%
(iv)	Thereafter, for consumption in excess of 100Kl, per Kl:	R47.18	R51.43	9%



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:

T6.7		Current tariff	Proposed tariff	Proposed increase
		From 1/07/2023	From 1/07/2024	%
(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R27.94	R30.46	9%
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R36.69	R40.00	9%
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R41.94	R45.71	9%
(iv)	Thereafter, for consumption more than 100KI, Per KI	R47.18	R51.43	9%

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

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

Table 7

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
20	R357.84	R388.22	R30.37	8.49%
30	R567.35	R616.58	R77.20	8.68%
40	R811.81	R883.04	R115.22	8.77%
50	R1 091.23	R1 187.61	R153.24	8.83%
80	R2 008.32	R2 187.24	R288.75	8.91%
100	R2 672.26	R2 910.93	R379.09	8.93%

*Calculated as prescribed in Table 6.1*

### 1.1.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2024.

Considering the Eskom increases, the consumer tariff had to be increased as directed by NERSA's benchmark tariff increase proposal from 1 July 2024. 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.

	Residential (Stepped tariff rates)		Current tariff	Proposed tariff	Proposed increase
			From 1/07/2023	From 1/07/2024	%
1.3.1	Block1(0-50)	50units	145.74 Cents/kWh	164.27 Cents/kWh	12.72%
1.3.2	Block2(51-350)	300units	190.26 Cents/kWh	214.46 Cents/kWh	12.72%
1.3.3	Block3(351-600)	250units	280.88 Cents/kWh	316.60 Cents/kWh	12.72%
1.3.4	Block4(>600)		330.27 Cents/kWh	372.28 Cents/kWh	12.72%

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**

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
100	R168.00	R189.37	R21.37	12.72%
250	R453.39	R511.06	R57.67	12.72%
500	R1 110.28	R1 251.50	R141.23	12.72%
750	R1 886.56	R2 126.53	R239.97	12.72%
1 000	R2 712.23	R3 057.22	R345.00	12.72%
2 000	R6 014.91	R6 780.00	R765.10	12.72%

### 1.1.4 Sewerage and Impact of Tariff Increases

A tariff increase of 6% for sewerage services from 1 July 2024 is proposed. This is based on the input cost assumptions related to water. Sewer charges are based on the extent/land area (m<sup>2</sup>) of the property, the City will maintain the current stepped structure of its sewer tariffs as shown in table 9.1 and 9.2.

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

The following table compares the current tariffs and proposed increases for the 2024/2025 financial year:

**Table 5.1 – 9.2 Comparison between current sewer charges and increases**

#### Residential property

T9.1	SEWERAGE	Current tariff From 1/07/2023	Proposed tariff From 1/07/2024	Proposed increase %
1	<b>AVAILABILITY CHARGE</b>			
	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:	R136.54	R144.73	6%
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 2 000m <sup>2</sup> of the surface area of the erf:	R22.12	R23.45	6%
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R17.96	R19.03	6%
	(iv) Maximum charge (887 000m <sup>2</sup> ):	R15 927.33	R16 882.97	6%
2	<b>ADDITIONAL CHARGES: RESIDENTIAL</b>			
2.1 (a)	<b>Dwelling houses and flats</b>			
	(i) For the first dwelling house or other building mentioned in 2(1) above erected on any erf or piece of land, per building	R24.88	R26.37	6%
	(ii) For the second or subsequent dwelling house or other building mentioned in 2(1) above, per building	R91.24	R96.72	6%

## Non – Residential property

T9.1	Non - Residential properties	Current tariff From 1/07/2023	Proposed tariff From 1/07/2024	Proposed increase %
	<b>ADDITIONAL CHARGES</b>			
	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:	R135.09	R143.19	6%
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 8000m <sup>2</sup> of the surface area of the erf:	R135.09	R143.19	6%
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R21.08	R22.35	6%

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

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

Table 10: Residential Property

Monthly sewer consumption Land area (m <sup>2</sup> )	Current amount payable R	Proposed amount payable R	Difference increase R	Proposed increase %
500 m <sup>2</sup>	R136.54	R144.73	R8.19	6%
750 m <sup>2</sup>	R158.66	R168.18	R9.52	6%
1000 m <sup>2</sup>	R158.66	R168.18	R9.52	6%
1500 m <sup>2</sup>	R180.78	R191.63	R10.85	6%
2000 m <sup>2</sup>	R202.91	R215.08	R12.17	6%
3000 m <sup>2</sup>	R220.86	R234.11	R13.25	6%
5000 m <sup>2</sup>	R256.77	R272.18	R15.41	6%
10000 m <sup>2</sup>	R346.56	R367.35	R20.79	6%

*Calculated as prescribed on table 9.1*

### 1.1.5 Refuse Removal and Impact of Tariff Increases

A 6% increase in the waste removal tariff is proposed from 1 July 2024. The waste removal tariff will be charged, based on the extent/land area (m<sup>2</sup>) 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 2024:

**Table 7 Comparison between current waste removal fees and increases**

#### REFUSE REMOVAL ADDITIONAL CHARGES

Table 11.1

<b>RESIDENTIAL</b>	<b>Current tariff from 1/07/2023</b>	<b>Proposed tariff from 1/07/2024</b>	<b>Proposed increase %</b>
(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61	6%
(b) All erven with a surface area in excess of 500m <sup>2</sup> :			
(i) For the first 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79	6%
(ii) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00	6%
(iii) Thereafter, per 500m <sup>2</sup> or part thereof, of the surface area of the erf	R30.40	R32.22	6%
(iv) Maximum charge (11 000m <sup>2</sup> )	756.3	R801.68	6%
<b>FLATS (PER UNIT)</b>			
(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61	6%
(b) Up to and including 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79	6%
(c) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00	6%
(d) Thereafter, per 500m <sup>2</sup> or part thereof, of the surface area of the erf	R30.40	R32.22	6%

Table 11.2



<b>NON - RESIDENTIAL</b>	<b>Current tariff from 1/07/2022</b>	<b>Proposed tariff from 1/072023</b>	<b>Proposed increase %</b>
(i) For the first 300m <sup>2</sup> or part thereof, of surface area of the erf:	R441.57	R468.06	6%
(ii) Thereafter, per 300m <sup>2</sup> or part thereof, up to 9300m <sup>2</sup> of the surface area of the erf:	R122.64	R130.00	6%
(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R87.00	R92.22	6%

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

Table 12

<b>Monthly refuse removal consumption</b>	<b>Current amount payable</b>	<b>Proposed amount payable</b>	<b>Difference increase</b>	<b>Proposed increase</b>
<b>Extent / Land area (sqm)</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>%</b>
<b>500 m<sup>2</sup></b>	R55.29	R58.61	R3.13	6.00%
<b>750 m<sup>2</sup></b>	R147.91	R156.78	R8.37	6.00%
<b>1000 m<sup>2</sup></b>	R147.91	R156.78	R8.37	6.00%
<b>1500 m<sup>2</sup></b>	R178.31	R189.01	R10.09	6.00%
<b>2000 m<sup>2</sup></b>	R208.71	R221.23	R11.81	6.00%
<b>3000 m<sup>2</sup></b>	R269.52	R285.68	R15.26	6.00%
<b>5000 m<sup>2</sup></b>	R391.12	R414.58	R22.14	6.00%
<b>10000 m<sup>2</sup></b>	R695.13	R736.82	R39.35	6.00%

*Calculated as prescribed on table 11.1*

## Expenditure increases.

Description	2024/25 Medium Term Revenue & Expenditure Framework Proposed % increase		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>			
<b>Expenditure</b>			
Employee related costs	5.70%	5.60%	5.50%
Remuneration of councillors	5.70%	5.60%	5.50%
Bulk purchases - electricity	13.00%	13.00%	13.00%
Inventory consumed	10.00%	10.00%	10.00%
Debt impairment	5.40%	5.10%	5.00%
Depreciation and amortisation	5.40%	5.10%	5.00%
Interest	5.40%	5.10%	5.00%
Contracted services	5.40%	5.10%	5.00%
Transfers and subsidies	0.00%	0.00%	0.00%
Irrecoverable debts written off	5.40%	5.10%	5.00%
Operational costs	5.40%	5.10%	5.00%
<b>Total Expenditure</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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 2024.
- 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 R286 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 160 the policy is reviewed to also cater for the child headed families and the qualifying people with disability.

The municipality further grants 80% rebates to owners of residential properties who depend on pensions or social grants provided the household income does not exceed R10 320.

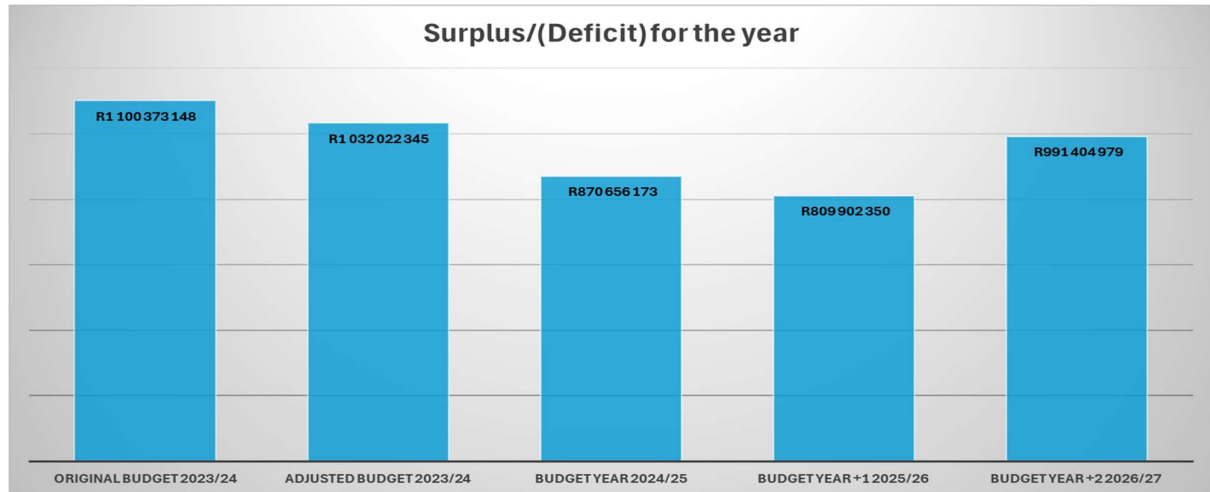
Although we are observing a recovery (both in economic terms and the rate of infections) on the pandemic front, the negative impact on the economy is still been felt. High unemployment and slow economic recovery should be a cause of concern.

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 2024/2025 Medium-term Revenue and Expenditure Framework**

**Operating revenue and expenditure summary:**

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand					
Revenue excluding capital transfers and subsidies	4 945 302	4 935 692	5 302 511	5 734 410	6 198 684
<b>Total Expenditure</b>	<b>4 550 034</b>	<b>4 583 348</b>	<b>5 140 213</b>	<b>5 569 084</b>	<b>6 006 974</b>
Surplus/(Deficit)	395 269	352 344	162 298	165 326	191 711
Transfers and subsidies - capital (monetary allocations)	705 105	679 678	708 358	644 576	799 694
<b>Surplus/(Deficit) for the year</b>	<b>1 100 373</b>	<b>1 032 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>



## 1.2 Revenue by Source

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>Revenue</b>					
<b>Exchange Revenue</b>					
Service charges - Electricity	1 820 601	1 820 601	1 984 455	2 242 434	2 533 950
Service charges - Water	350 836	350 836	382 411	420 652	462 718
Service charges - Waste Water Management	141 640	147 319	156 158	163 966	173 804
Service charges - Waste Management	147 319	141 640	150 139	157 646	167 104
Sale of Goods and Rendering of Services	14 187	14 192	14 902	15 647	16 586
Agency services	31 874	31 874	33 467	35 141	37 249
Interest earned from Receivables	89 294	89 294	93 759	98 447	104 353
Interest earned from Current and Non Current Assets	20 940	40 940	42 987	45 136	47 845
Rental from Fixed Assets	12 512	12 512	13 138	13 794	14 622
Licence and permits	14 098	14 539	15 266	16 029	16 991
Operational Revenue	39 041	39 041	40 993	43 043	45 625
<b>Non-Exchange Revenue</b>					
Property rates	622 442	622 442	641 116	666 760	700 098
Fines, penalties and forfeits	42 049	42 049	44 152	46 359	49 141
Licences or permits	441	-	-	-	-
Transfer and subsidies - Operational	1 575 705	1 546 089	1 666 130	1 744 744	1 802 510
Interest	22 323	22 323	23 440	24 612	26 088
<b>Revenue excluding capital transfers and subsidies</b>	<b>4 945 302</b>	<b>4 935 692</b>	<b>5 302 511</b>	<b>5 734 410</b>	<b>6 198 684</b>
Transfers and subsidies - capital (monetary allocations)	705 105	679 678	708 358	644 576	799 694
<b>Surplus/(Deficit) for the year</b>	<b>1 100 373</b>	<b>1 032 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
<b>Total Revenue</b>	<b>5 650 407</b>	<b>5 615 370</b>	<b>6 010 869</b>	<b>6 378 986</b>	<b>6 998 379</b>

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2024/25 MTREF (classified by main revenue source):

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework			
	Adjusted Budget		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
<b>R thousand</b>						
<b>Revenue</b>						
<b>Exchange Revenue</b>						
Service charges - Electricity	1 820 601	37%	1 984 455	37%	2 242 434	2 533 950 41%
Service charges - Water	350 836	7%	382 411	7%	420 652	462 718 7%
Service charges - Waste Water Management	147 319	3%	156 158	3%	163 966	173 804 3%
Service charges - Waste Management	141 640	3%	150 139	3%	157 646	167 104 3%
Sale of Goods and Rendering of Services	14 192	0%	14 902	0%	15 647	16 586 0%
Agency services	31 874	1%	33 467	1%	35 141	37 249 1%
Interest earned from Receivables	89 294	2%	93 759	2%	98 447	104 353 2%
Interest earned from Current and Non Current Assets	40 940	1%	42 987	1%	45 136	47 845 1%
Rental from Fixed Assets	12 512	0%	13 138	0%	13 794	14 622 0%
Licence and permits	14 539	0%	15 266	0%	16 029	16 991 0%
Operational Revenue	39 041	1%	40 993	1%	43 043	45 625 1%
<b>Non-Exchange Revenue</b>						
Property rates	622 442	13%	641 116	12%	666 760	700 098 11%
Fines, penalties and forfeits	42 049	1%	44 152	1%	46 359	49 141 1%
Transfer and subsidies - Operational	1 546 089	31%	1 666 130	31%	1 744 744	1 802 510 29%
Interest	22 323	0%	23 440	0%	24 612	26 088 0%
<b>Revenue excluding capital transfers and subsidies</b>	<b>4 935 692</b>	<b>100%</b>	<b>5 302 511</b>	<b>100%</b>	<b>5 734 410</b>	<b>6 198 684 100%</b>
<b>Revenue from Service Charges</b>	<b>2 460 396</b>	<b>50%</b>	<b>2 673 163</b>	<b>50%</b>	<b>2 984 698</b>	<b>3 337 576 54%</b>

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

Revenue generated from rates, services charges and operational grants forms a significant percentage of the revenue basket for the Municipality. Service charges revenues comprise



more than 50% of the total operational revenue mix. In the 2023/24 financial year, revenue from services charges totalled R2.460 billion or 50 per cent. This increases to R2.673 billion, R2.984 billion and R3.337 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.

Operating Grants & Subsidies are the second largest revenue source totalling 31 per cent in 2024/25 and decreasing to 29% by 2026/27. Property rates are the third largest revenue source totalling 12 per cent or R666 million rand in 2024/25 and increases to R700 million by 2026/27.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

### 1.3 Operating Transfers and Grant Receipts

MULTI YEAR BUDGET GRANTS AND SUBSIDIES AS PER DIVISION OF REVENUE BILL	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>OPERATIONAL GRANTS</b>			
Equitable Share	1 407 843 000	1 481 766 000	1 551 725 000
<b>TOTAL OPERATIONAL GRANTS</b>			
Intergrated Urban Development Grant	135 688 073	144 880 667	155 180 650
Public Transport Network Grant	101 081 924	100 096 972	75 104 060
Financial Management Grant (FMG)	2 400 000	2 400 000	2 500 000
Extended Public Works Programme (EPWP)	6 117 000	-	-
Infrastructure Skills Development Grant (ISDG)	8 000 000	8 000 000	6 000 000
Integrated National Electrification Programme Grant	-	2 600 000	7 000 000
<b>TOTAL OPERATIONAL GRANTS (CONDITIONAL)</b>	<b>253 286 997</b>	<b>257 977 639</b>	<b>245 784 710</b>
<b>TOTAL OPERATIONAL GRANTS</b>	<b>1 661 129 997</b>	<b>1 739 743 639</b>	<b>1 797 509 710</b>

### 1.4 Expenditure by Type

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>Expenditure</b>					
Employee related costs	1 258 954	1 153 395	1 341 147	1 406 049	1 495 599
Remuneration of councillors	43 514	44 896	47 455	50 113	52 869
Bulk purchases - electricity	1 162 130	1 153 687	1 303 666	1 473 143	1 664 651
Inventory consumed	336 483	314 542	328 513	363 220	381 379
Debt impairment	272 220	154 124	162 447	170 732	179 268
Depreciation and amortisation	272 220	272 220	386 920	453 359	497 571
Interest	44 535	40 535	42 724	44 903	47 148
Contracted services	839 992	926 149	978 409	1 032 607	1 085 286
Transfers and subsidies	11 622	16 022	10 480	10 480	10 480
Irrecoverable debts written off	-	118 096	124 473	130 821	137 362
Operational costs	308 363	389 683	413 979	433 658	455 360
<b>Total Expenditure</b>	<b>4 550 034</b>	<b>4 583 348</b>	<b>5 140 213</b>	<b>5 569 084</b>	<b>6 006 974</b>

The Municipality's expenditure framework for the 2024/25 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 Sections 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 2024/25 budget and MTREF (classified per main type of operating expenditure):

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

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework				
	Adjusted Budget		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27		
<b>R thousand</b>							
<b>Expenditure</b>							
Employee related costs	1 153 395	25%	1 341 147	26%	1 406 049	1 495 599	25%
Remuneration of councillors	44 896	1%	47 455	1%	50 113	52 869	1%
Bulk purchases - electricity	1 153 687	25%	1 303 666	25%	1 473 143	1 664 651	28%
Inventory consumed	314 542	7%	328 513	6%	363 220	381 379	6%
Debt impairment	154 124	3%	162 447	3%	170 732	179 268	3%
Depreciation and amortisation	272 220	6%	386 920	8%	453 359	497 571	8%
Interest	40 535	1%	42 724	1%	44 903	47 148	1%
Contracted services	926 149	20%	978 409	19%	1 032 607	1 085 286	18%
Transfers and subsidies	16 022	0%	10 480	0%	10 480	10 480	0%
Irrecoverable debts written off	118 096	3%	124 473	2%	130 821	137 362	2%
Operational costs	389 683	9%	413 979	8%	433 658	455 360	8%
<b>Total Expenditure</b>	<b>4 583 348</b>	<b>100%</b>	<b>5 140 213</b>	<b>100%</b>	<b>5 569 084</b>	<b>6 006 974</b>	<b>100%</b>

The budgeted allocation for employee-related costs for the 2024/25 financial year totals R1.341 billion, which equals 26 percent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5.7 per cent for the 2024/25 for the MTREF. Included in the R1.341 billion is the R 30.5 million for Leave Pay and Long Service Awards.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of 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 2024/25 financial year this amount increased to R286 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.

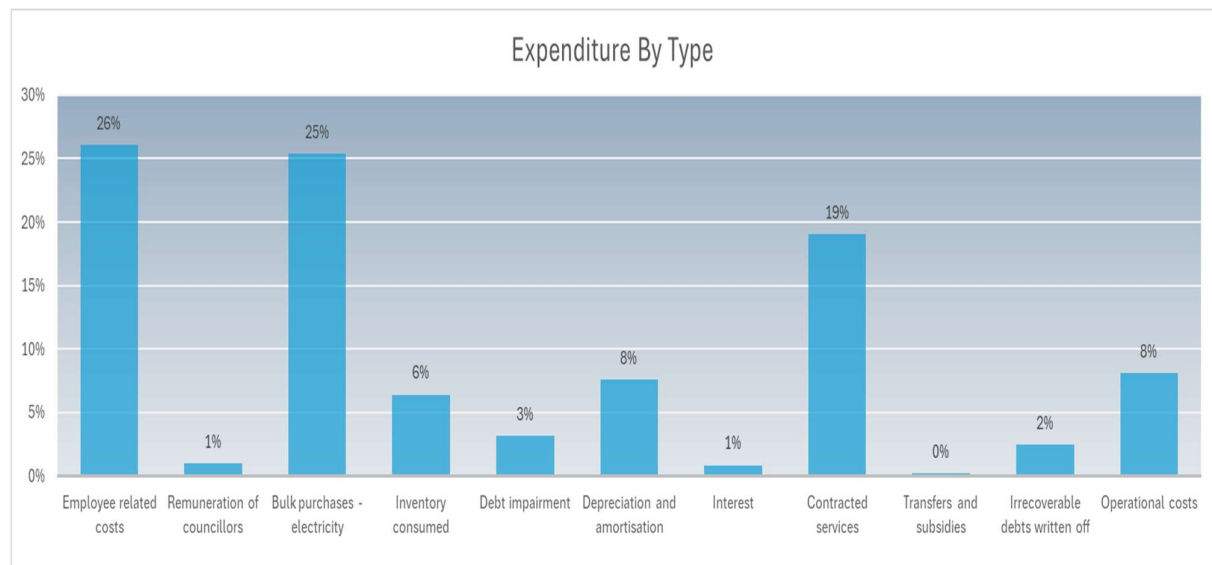
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R386 million for the 2024/25 financial and equates to 8 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 percent (R42 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 25 percent (R 1.3 billion) of operating expenditure. The expenditures include distribution losses.

Contracted services have increased to R 978 million and they make up 19% of the operating expenditure in 2024/25.

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 8 percent (R 413 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 2024/25 Division of Revenue Bill have been included in this medium-term budget.

<b>GRANTS AND SUBSIDIES AS PER DIVISION OF REVENUE BILL</b>			
<b>Govt Gazette no 50099 of 8 February 2024)</b>			
<b>Infrastructure Grants</b>	<b>Budget Year 2024/25</b>	<b>Budget Year +1 2025/26</b>	<b>Budget Year +2 2026/27</b>
Integrated Urban Development Grant (IUDG)	413 544 000	419 111 000	454 557 000
Regional Bulk Infrastructure Grant (RBIG)	126 013 000	155 509 000	255 509 000
Integrated National Electrification Programme Grant (INEP)	12 573 000	6 600 000	12 000 000
Public Transport Network Grant(PTNG)	267 249 000	208 849 000	202 391 000
Water Services Infrastructure Grant (WSIG)	76 000 000	65 000 000	70 022 000
Neighbourhood Development Partnership Grant (NDPG)	44 984 000	32 320 000	42 500 000
Municipal Disaster Recovery Grant	4 765 000	4 765 000	-
<b>Sub Total</b>	<b>945 128 000</b>	<b>892 154 000</b>	<b>1 036 979 000</b>
<b>Specific Purpose Current Grants</b>			
Financial Management Grant (FMG)	2 400 000	2 400 000	2 500 000
Infrastructure Skills Development Grant (ISDG)	8 000 000	8 000 000	6 000 000
Extended Public Works Programme (EPWP)	6 117 000	-	-
<b>Sub Total</b>	<b>16 517 000</b>	<b>10 400 000</b>	<b>8 500 000</b>
<b>Equitable Share</b>	<b>1 407 843 000</b>	<b>1 481 766 000</b>	<b>1 551 725 000</b>
<b>Sub Total Municipality</b>	<b>2 369 488 000</b>	<b>2 384 320 000</b>	<b>2 597 204 000</b>
<b>Allocations- in-kind-Grants (Schedule 6)</b>			
Integrated National Electrification Programme (Escom)	41 312 000	73 218 000	73 807 000
Neighbourhood Development Partnership Grant (Technical Assistance)	1 000 000	1 000 000	1 000 000
<b>Sub Total</b>	<b>42 312 000</b>	<b>74 218 000</b>	<b>74 807 000</b>
<b>TOTAL</b>	<b>2 411 800 000</b>	<b>2 458 538 000</b>	<b>2 672 011 000</b>

## 1.7 CAPITAL BUDGET PER DIRECTORATE

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

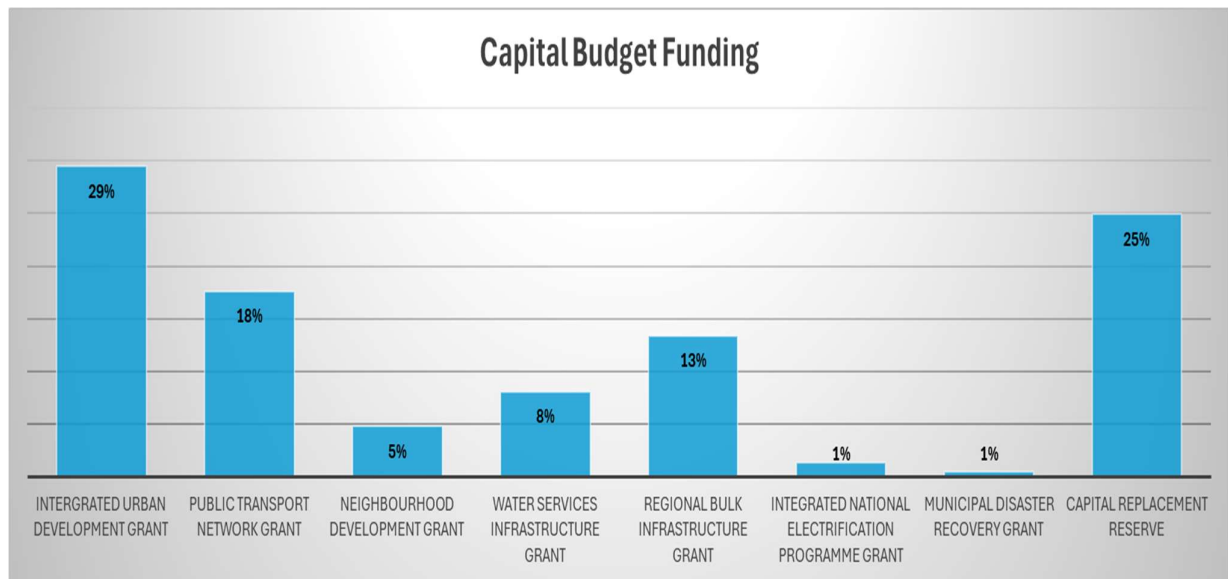
Many concerns were raised over the spending of conditional grants by the National Treasury over the past four financial years.

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

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

### Capital expenditure

Total capital budget **R943 163 003 (VAT inclusive)** which is funded as follows:



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

MULTI YEAR CAPITAL BUDGET	Budget Year 2024/23		Budget Year +1 2025/26		Budget Year +2 2026/27	
Vote 1 - CHIEF OPERATIONS OFFICE	1 376 037	0%	1 473 094	0%	1 196 000	0%
Vote 2 - MUNICIPAL MANAGER'S OFFICE	-	0%	-	0%	-	0%
Vote 3 - WATER AND SANITATION	357 108 060	38%	338 109 497	42%	453 483 995	46%
Vote 4 - ENERGY SERVICES	63 428 668	7%	54 380 741	7%	36 349 000	4%
Vote 5 - COMMUNITY SERVICES	115 300 779	12%	132 690 020	16%	153 189 470	16%
Vote 6 - PUBLIC SAFETY	34 638 803	4%	40 595 947	5%	56 173 785	6%
Vote 7 - CORPORATE AND SHARED SERVICES	37 100 113	4%	20 574 649	3%	27 917 859	3%
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	20 169 407	2%	23 652 234	3%	24 173 349	2%
Vote 9 - BUDGET AND TREASURY OFFICE	-	0%	-	0%	-	0%
Vote 10 - TRANSPORT SERVICES	123 167 076	13%	79 252 028	10%	96 286 940	10%
Vote 11 - HUMAN SETTLEMENTS	-	0%	-	0%	-	0%
Vote 12 - ROADS AND STORM WATER	190 874 060	20%	120 240 210	15%	129 080 000	13%
<b>TOTA DRAFT CAPITAL</b>	<b>943 163 003</b>	<b>100%</b>	<b>810 968 421</b>	<b>100%</b>	<b>977 850 398</b>	<b>100%</b>

**Water and Sanitation Services** is allocated 38% for infrastructure projects.

The Municipality is strategically focusing on renewing its asset with the sole objective of optimizing service delivery, the area of focus is on Wastewater Management and Water Network.

While at the same time, investing in the creation of new assets to increase services and economic development in the municipality, major projects undertaken as part of this strategic focus are:

- Building of new Regional Waste Water Treatment Plant
- Building of Regional Water Schemes and acceleration of rural sanitation

The grants funds available for capital expenditure for the following 3 years are R 708 million, R 644 million and R 799 million respectively.

MULTI YEAR BUDGET CAPITAL FUNDING	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Description			
Integrated Urban Development Grant	277 855 927	274 230 333	299 376 350
Public Transport Network Grant	166 167 076	108 752 028	127 286 940
Neighbourhood Development Grant	44 984 000	32 320 000	42 500 000
Water Services Infrastructure Grant	76 000 000	65 000 000	70 022 000
Regional Bulk Infrastructure Grant	126 013 000	155 509 000	255 509 000
Integrated National Electrification Programme Grant	12 573 000	4 000 000	5 000 000
Municipal Disaster Recovery Grant	4 765 000	4 765 000	-
<b>Total DoRA Allocations</b>	<b>708 358 003</b>	<b>644 576 361</b>	<b>799 694 290</b>

The funds available for capital expenditure from **Cash Replacement Reserve** (Own funds) for the following 3 years are R 234 million, R166 million and R 178 million respectively. The following CRR funding is broken down by directorate.

<b>MULTI YEAR CAPITAL BUDGET - CAPITAL REPLACEMENT RESERVE</b>	<b>Budget Year 2023/24</b>	<b>Budget Year +1 2024/25</b>	<b>Budget Year +2 2026/27</b>
Vote 1 - CHIEF OPERATIONS OFFICE	1 376 037	1 473 094	1 196 000
Vote 2 -MUNICIPAL MANAGER'S OFFICE	-	-	-
Vote 3 - WATER AND SANITATION	66 330 000	12 822 747	14 313 745
Vote 4 - ENERGY SERVICES	50 855 668	50 380 741	31 349 000
Vote 5 - COMMUNITY SERVICES	36 914 779	27 912 270	39 550 220
Vote 6 - PUBLIC SAFETY	34 638 803	40 595 947	56 173 785
Vote 7 - CORPORATE AND SHARED SERVICES	37 100 113	20 574 649	27 917 859
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	2 512 456	2 696 684	1 445 499
Vote 9 - BUDGET AND TREASURY OFFICE	-	-	-
Vote 10 - TRANSPORT SERVICES	-	-	-
Vote 11 - HUMAN SETTLEMENTS	-	-	-
Vote 12 - ROADS AND STORM WATER	5 077 144	9 935 927	6 210 000
<b>TOTA DRAFT CAPITAL</b>	<b>234 805 000</b>	<b>166 392 060</b>	<b>178 156 108</b>

## **2. OVERVIEW OF BUDGET RELATED POLICIES**

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

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

### **Cash Management and Investment Policy**

The objectives of the Investment Policy are: -to manage the investments of the municipality in

such a manner that it will not tie up the municipality's scarce resources required to improve.

the quality of life of the citizens; that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

### **Leave Policy**

To ensure that employees know their entitlement with regard to the allocation of leave, the responsibility to apply for leave in the prescribed manner(s) and for good governance of leave in Polokwane Municipality.

### **Integrated Customer Policy**

The objective of this policy is to provide a policy framework for the circumstances under which deposit must be paid, the determination of the amount of the deposit that must be paid and the refund or forfeiture of deposit.

### **Assets Management Policy**

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

### **Loss and Claim Committee Policy**

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

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

### **Budget and Virement Policy**

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

### **Performance Management System Policy (Organisational and Employee Management )**

- The overall objective of implementing and sustaining effective employee performance management is to build human capital at strategic and operational levels throughout the municipality.



- To achieve this objective an Organisational and Employee Performance Management System is implemented to provide administrative simplicity, maintain mutual respect between managers and employees, and add value to day to day communication about performance and development issues

### **Funding and Reserve Policy**

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

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

### **Borrowing Policy**

The objectives of this Policy are to: -

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

### **Indigent and Social Assistance Policy**

The objectives of this Policy are to: -

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

### **Supply Chain Management Policy**

The objective of the supply chain management policy is

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

### **Credit Control and Debt Collection Policy**

The objectives of Credit Control Policy are:

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

The objective of Debt Collection Policy is:

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

### **Tariff Policy**

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

### **Property Rates Policy**

The key objectives of the policy are to:

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

### **Subsistence and Travel Policy**

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

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

### **Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy**

This policy aims to ensure that, amongst other things:

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

### **Inventory Policy**

This policy aims to ensure that, amongst other things:

- To implement appropriate internal controls and effective inventory management system to ensure that goods placed in stores are secured and only used for the intended purposes.
- To determining and setting of inventory levels that includes minimum and maximum stock levels mad lead times whenever goods are placed in stock.
- To monitoring and review of service provider's performance to ensure compliance with specifications and contract conditions.

### **Cost Containment Policy**

This policy aims to ensure that, amongst other things:

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

### **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.

### **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

## **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

## **RECOMMEND**

1. That the annual budget of the municipality and municipal entity (Polokwane Housing Association) for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables be approved and adopted:
  - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
  - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
  - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4 and D2; and
  - 1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table D3.
2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
  - 2.1 Budgeted Financial Position as contained in Table A6 and D4;
  - 2.2 Budgeted Cash Flows as contained in Table A7 and D5;
  - 2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
  - 2.4 Asset management as contained in Table A9; and
  - 2.5 Basic service delivery measurement as contained in Table A10.
3. The Council of Polokwane Municipality, acting in terms of section 75A of the Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2021: as set out in the Proposed Tariffs booklet:
  - 3.1 the tariffs for property rates
  - 3.2 the tariffs for electricity
  - 3.3 the tariffs for the supply of water
  - 3.4 the tariffs for sanitation services
  - 3.5 the tariffs for solid waste services

4. That the following budget related policies be approved for implementation in 2024/25.

- 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
- Expenditure Management Policy
- Fare Policy and Fare Structure
- Funding and reserves Policy
- Indigent and Social Assistance Policy
- Integrated Customer Care Policy
- Inventory Policy
- Leave Policy
- Performance Management System Policy (Organisational and Employee Management Policy)
- Property Rates Policy
- Subsistence and Travelling Policy
- Supply chain management Policy
- Tariff Policy
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy

5. That council approves the MSCOA Roadmap.

  
\_\_\_\_\_  
CLLR MPE MJ  
EXECUTIVE MAYOR

2024/04/23  
DATE

## Part 2: 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 was done. Hence, there will be no clashes of dates for the (Joint Portfolio Committee, MAYCO, Council) wherein the compliance reports will be tabled.

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

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

<b>Date</b>	<b>Municipal Cluster / Sector</b>	<b>Wards No</b>	<b>Venue</b>	<b>Time</b>
<b>02 April 2024</b>	Traditional Leaders	<b>N/A</b>	New Peter Mokaba Stadium (Press Theatre)	10h00 -13h00
<b>03 April 2024</b>	Aganang Cluster	<b>40,41,42,43,44,45</b>	Tibane Sports Ground Ga-Matlala	10h00 -13h00
<b>04 April 2024</b>	Seshego Cluster	<b>11,12,13, 14,17,37</b>	Ngoako Ramahlodi Sports Complex	10h00 -13h00
<b>05 April 2024</b>	SDA 1	<b>08;</b>	Greenside Primary School	<b>14h00 – 17h00</b>
<b>08 April 2024</b>	Moletjie Cluster	<b>09,10,15,16,18,35, 36,38</b>	Moletjie Moshate	10h00 -13h00
<b>09 April 2024</b>	Sebayeng /Dikgale Cluster	<b>24,29,32,33,30,31</b>	Bana Bathari Primary School	10h00 -13h00
<b>10 April 2024</b>	Mankweng Cluster	<b>06,07,25,26,27,28, 34</b>	Thakgalang, Nobody Double class sports ground	10h00 -13h00
<b>11 April 2024</b>	City Cluster	<b>19,20,21,22,23,39</b>	Jack Botes Hall	<b>18h00 - 20h00</b>
<b>12 April 2024</b>	Molepo /Chuene /Maja Cluster	<b>1,2,3,4,5</b>	Mothiba - Ngwanamago Municipal Offices	10h00 -13h00



Date	Municipal Cluster / Sector	Wards No	Venue	Time
15 April 2024	Municipal Councillors Consultation	All Municipal Councilors	New Peter Mokaba Stadium (Press Theatre)	10h00 -13h00

### **Submission of Comments and Inputs by Community Members**

The 2024/25 Draft IDP and Budget were placed on the municipal website: [www.polokwane.gov.za](http://www.polokwane.gov.za).

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

Comments period will be open from **28<sup>th</sup> March 2024 – 24<sup>th</sup> April 2024**. Communities were also be able to Submit their Comments and inputs on the **2024/25** draft IDP and Budget using media platforms and alternative methods that have been made available by the Municipality. ie

#### **1.Email or WhatsApp LINE**

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

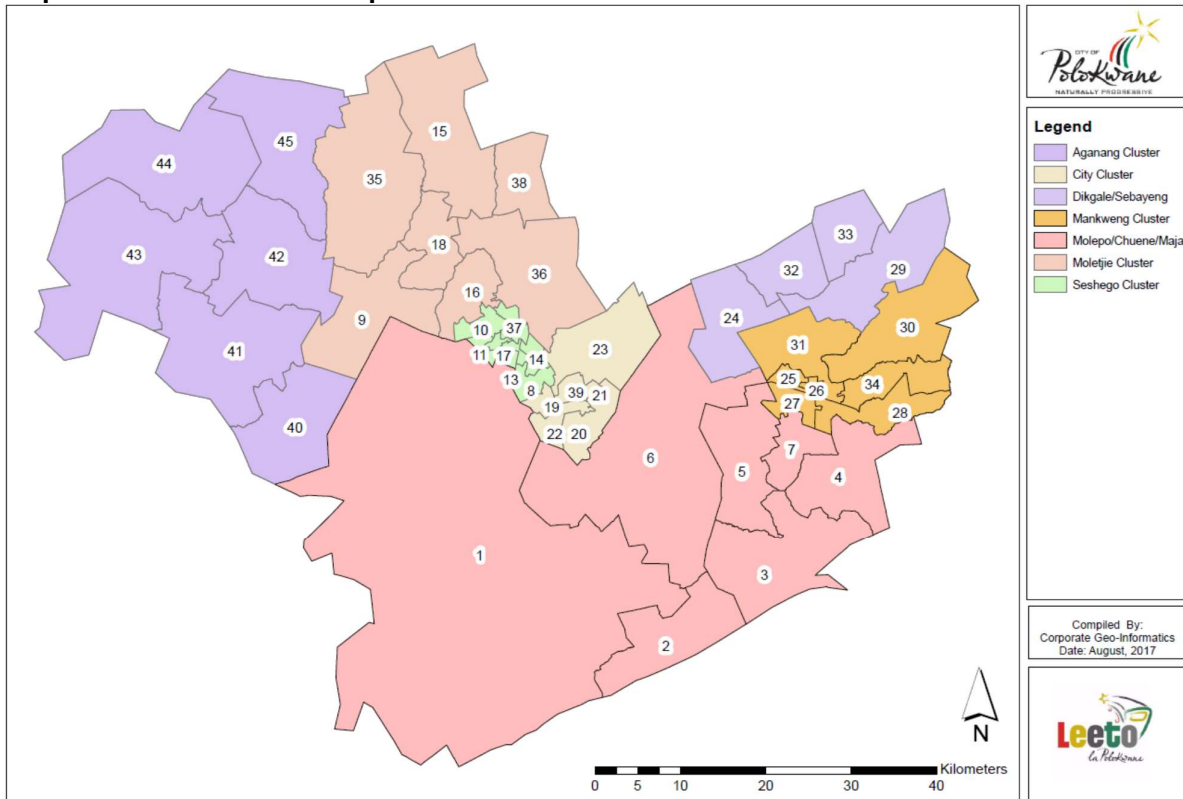
- **Manager : IDP Email :** [Victorn1@polokwane.gov.za](mailto:Victorn1@polokwane.gov.za)
- **WhatsApp line:** [065 922 4017](tel:0659224017).

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

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

# Polokwane Cluster Map Reflecting Location of 45 Wards

Map: Polokwane Cluster Map



Source: Polokwane G.I.S SBU:

## PART 3 - BUDGET INPUTS PER DIRECTORATE

### Municipal Managers's Office

#### Risk Management

#### PROPOSED STRATEGIC RISKS FOR 2024/25 FINANCIAL YEAR

Risk	Root cause	Residual risk	New mitigating action
Ageing of infrastructure (Energy, Water, Roads, and Facilities)	<ul style="list-style-type: none"> <li>Insufficient funds for capital replacements</li> <li>Lack of infrastructure maintenance plan.</li> <li>Lack of infrastructure investment plan for new assets</li> <li>Shortage of skilled personnel</li> <li>High vacancy rate</li> </ul>	22 High	<ul style="list-style-type: none"> <li>Assets register to be linked with budgeted maintenance plan.</li> <li>Training and development of employees to curb the use of service providers on maintenance of assets.</li> <li>Public Private Partnerships for infrastructure development and maintenance</li> <li>Procurement of additional yellow fleet</li> <li>Ad hoc and re-active maintenance</li> <li>Critical posts are being identified to be prioritized.</li> <li>Reprioritizing of funding towards capital replacements</li> </ul>
Electricity losses (technical and non-technical losses)	<ul style="list-style-type: none"> <li>Illegal connections</li> <li>Vandalism of infrastructure</li> <li>Cable theft</li> <li>Ageing of electricity infrastructure</li> <li>Meters that are not working (faulty meters)</li> </ul>	16 High	<ul style="list-style-type: none"> <li>Installation of early warning systems for cable theft and vandalism of infrastructure</li> <li>Installation of high security meter boxes at identified hot spot areas.</li> <li>Replacing of conventional meters with prepaid meters</li> <li>Replacement of copper with aluminium cables</li> <li>Replacement of steel meter boxes polyethylene</li> </ul>
Water Scarcity and Water losses	<ul style="list-style-type: none"> <li>Illegal land use</li> <li>Inadequate water resources</li> <li>Water losses due to illegal connections.</li> <li>Water losses due aging of infrastructure.</li> <li>Rapid population growth in the city</li> <li>Global warming</li> <li>Non-adherence to water conservation strategies by users</li> </ul>	22 High	<ul style="list-style-type: none"> <li>Upgrading of existing water resources and drilling of additional boreholes</li> <li>Replacing of brass/smart conventional meters with prepaid meter</li> <li>Check meters have been installed to measure water losses.</li> <li>Phase 2 of Replacement of asbestos pipes</li> <li>Replacement of above fire hydrant with underground fire hydrant to avoid water theft</li> </ul>
Poor performance on allocated grants	<ul style="list-style-type: none"> <li>Termination of the poor performing contracts which</li> </ul>	16 High	<ul style="list-style-type: none"> <li>Project forward planning</li> <li>Decentration of project planning and implementation to infrastructure directorates</li> </ul>

Risk	Root cause	Residual risk	New mitigating action
	<ul style="list-style-type: none"> <li>results in poor spending of the grant.</li> <li>Delays in completion of projects (extension of time).</li> </ul>		<ul style="list-style-type: none"> <li>Multiyear project planning</li> </ul>
Cash flow constraints.	<ul style="list-style-type: none"> <li>Low revenue base</li> <li>Non-payments of services</li> <li>Non-payment of facilities when hiring sports and recreation facilities (free utilization of revenue generating facilities)</li> <li>High debt book</li> <li>High rate if non-functional water and electricity meters</li> </ul>	20 High	<ul style="list-style-type: none"> <li>Implementation of revenue enhancement strategy.</li> <li>Development of cost activity plans in line with the allocated budget</li> <li>Identification of other sources of revenue</li> <li>Implementation of credit control policy and indigent policy.</li> <li>Turnaround strategy to deal with dysfunctional meters.</li> <li>Transfer the risk to the service provider (risk-based procurement)</li> </ul>
Negative Audit Outcome	<ul style="list-style-type: none"> <li>Non-compliance to regulations</li> <li>Poor internal controls</li> <li>Poor record keeping</li> <li>Inadequate of internal AFS reviews and Annual Performance report</li> </ul>	15 Medium	<ul style="list-style-type: none"> <li>Compilation of quarterly financial statement</li> <li>Auditing of half year and annual financial statements by Internal Audit</li> <li>Investigation of all UIFW expenditures</li> <li>Development and monitoring of AGSA action plans and Internal Audit action Plan</li> <li>Weekly Operational Clean Audit meetings</li> <li>Continuous AGSA streeting Committee meetings</li> </ul>
Fraud and Corruption	<ul style="list-style-type: none"> <li>Nonadherence to internal controls.</li> <li>Non compliance.to policies and legislatives</li> <li>Lack of professional Ethics and morality</li> <li>Conflict of interest.</li> </ul>	High 20	<ul style="list-style-type: none"> <li>Consequence management for</li> <li>Fraud Awareness campaigns</li> <li>Fraud and Ethics Survey</li> <li>Review of t</li> <li>Promotion of Fraud Hotline and community members are encouraging to report</li> </ul>
Theft and vandalism of municipal infrastructure eg, (Cable theft, Public toilets, water infrastructure etc)	<ul style="list-style-type: none"> <li>Inadequate security measures (such as security fence)</li> <li>Shortage of security personnel.</li> <li>Project implemented without security consideration.</li> <li>Lack of alarm systems and &amp; panic button.</li> <li>Lights not working.</li> <li>Projects located in remote areas</li> <li>Incomplete projects.</li> <li>High demand of copper</li> <li>High rate of unemployment</li> </ul>	15 Medium	<ul style="list-style-type: none"> <li>Installation of high mast lights</li> <li>Installation of additional of additional CCTV, alarm systems</li> <li>Establishment of Community safety and policing forum municipal wide</li> <li>Installation of access control systems in all municipal buildings.</li> <li>Appointment of Law enforcement officers and security officers.</li> <li>Regular inspection and patrol of hotspot areas</li> </ul>

Risk	Root cause	Residual risk	New mitigating action
Cyber-attack	<ul style="list-style-type: none"> <li>Poor configuration of security system</li> <li>Lack of cyber security expertise</li> <li>Lack of development and implementation internal management processes of cyber security (Classification of access to data \User Management)</li> <li>Lack of ICT Security Awareness</li> </ul>	<p>20 High</p>	<ul style="list-style-type: none"> <li>Information Security awareness for staff members</li> <li>Update and upgrade software.</li> <li>Management of Malware Protection solution</li> <li>Performing monthly data backup</li> <li>Monitoring activities on the Firewall</li> <li>Monitoring of third-party security posture</li> <li>Least Privilege Access</li> <li>Vulnerability scanning</li> </ul>
Slow economic growth and development	<ul style="list-style-type: none"> <li>High levels of unemployment</li> <li>Impact of load shedding</li> <li>Global economic factors</li> <li>Impact of Covid-19</li> <li>Inability to attract investors</li> </ul>	<p>15 Medium</p>	<ul style="list-style-type: none"> <li>Strengthen relationship with all economic sectors.</li> <li>Implementation of economic recovery plans</li> <li>Promote Polokwane to investors.</li> <li>Promotion of dialogue between all stakeholders</li> <li>Strengthen the empowerment of micro, small and medium enterprises.</li> <li>Implementation of investment incentives policy</li> </ul>
Unsustainability of the Integrated Public Transport Network (IPTN)	<ul style="list-style-type: none"> <li>Low ridership</li> <li>Inadequate public awareness and stakeholder engagement</li> <li>Competition from other transport operators</li> </ul>	<p>20 High</p>	<ul style="list-style-type: none"> <li>Implementation of the Council approved turnaround strategy</li> <li>Appointment of Leeto La Polokwane dedicated law enforcement.</li> <li>Enhance public awareness, and stakeholder engagement/ education.</li> <li>Increase bus fleet and route Optimization</li> </ul>
Inadequate Sewer Treatment Capacity	Increase concentration of pollutants in drinking water.	<p>20 High</p>	<ul style="list-style-type: none"> <li>Construction of New Regional Waste water treatment plant</li> </ul>

## INTERNAL AUDIT PROGRAMS

In line with the requirements of Section 165 of the MFMA, the Internal Audit Unit has identified the following projects for implementation as part of its audit plans for the financial year 2024/25. The objective of this program would be amongst other things to address Management's highest-priority risks as listed under the municipality's Top 10 Risks:

- 1) **Water scarcity and water losses** – this project will assess the level at which water facilities are being maintained to meet the existing and projected water use needs; and also be able to provide assurance to Management on the extent to which water conservation strategies are being adhered to.
- 2) **Projects implementation and management** – to assess project management controls and where improvements are required provide recommendations that will enhance the project management practices and performance outcomes on allocated grants.
- 3) **Assets Management and loss control** – to assess the controls around cable theft, vandalism of the municipal infrastructure, tempering of the electric meters and etc.
- 4) **Fleet Management** – to provide assurance on the effective and efficient use of the municipal fleet and whether controls are adequate enough to curb or prevent any misuse or abuse.
- 5) **Revenue Management** – to assess the level to which revenue enhancement strategies are implemented and the effects of the non-functional meters on the municipal revenue.
- 6) **Review of the Draft Annual Financial Statements** – to amongst other thing assess the adequacy of the application of the accounting standards and pronouncements that are applicable to the municipality as per directive 5 issued by Accounting Standards Board.
- 7) **Vulnerability assessment** – to assess the internet facing perimeters as well as the network for any exploitable vulnerabilities and/or cyber-attacks.

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



1) Municipal Employee Verification:

2) Verification of vehicles registered for official use



## Planning and Economic Development

### 1. Catalytic Projects

#### 1.1. Limpopo Academic Hospital

City of Polokwane and Edupark donated Remaining Extent of Erf 6861 Pietersburg Extension 30, measuring 19.90 Hectares. The aforesaid Donation was in line with a **Council Resolution** dated 28<sup>th</sup> of February 2012.

The aforesaid Council Resolution contain the conditions which the Donee must comply with before the transfer of the ownership such as rezoning and that was already adhered to. The recent Council resolution also provides conditions that the Donee should adhered to and has since started to communicate with the Municipality.

Progress to date, the donation agreement has been signed and **construction has commenced**.

Plans are afoot to deliver Limpopo's first academic hospital that will see the province's residents no longer having to travel to Gauteng to receive tertiary medical services.





**ACADEMIC HOSPITAL DESIGNS**



**Bulk Underground Services Installation**





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

This is going to be a **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**.

This state-of-the-art facility will be essential in ensuring that our citizens have access to quality healthcare services.

Preliminary estimates show 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 a whopping **R4-billion** funded by the National Health Department on behalf of the provincial health Department.

## **1.2. IDENTIFICATION OF LAND FOR STUDENT ACCOMMODATION**

Erf 20802 – 20815 and 20818 – 20821 Polokwane Extension 106 zoned Residential 3 have already been advertised for **student accomodation**. Some other erven in Polokwane Extension 79 also advertised for high density residential developments. Additionally Council has adopted the **CBD Urban Renewal Strategy** of which 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.

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



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

## 2. Catalytic Land Development Programme in support of the CEF.

Below are the **9 key catalytic projects** that will unlock economic growth in those spaces and contribute towards job creation and ultimately reduce unemployment in the City of Polokwane.

### 2.1. Science Park

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



## 2.2. Arts and Cultural Hub

**Bakoni 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 Feasibility study (**DSAC**) and Township Application processes funded by the Polokwane Municipality. Bulk engineering services to be provided by Polokwane Municipality to the area and funded under the IUDG. This project is part of implementing the **CEF**.



## 2.3. Industrial Park or SEZ N1 North Corridor

- **Industrial Park or SEZ N1 North Corridor** site identification around the **airport** will be a key towards **application for the expansion of the Municipal Boundary further to the North** in order to cater for at least **200km<sup>2</sup>** of land.
- 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.



## 2.4. Agro processing

- **Agro-processing** - the support for the proposed development concept is centred on the **Logistic and Agro-processing** taking advantage of the transport modes available that includes:
  - **Air network (airport).**
  - **Rail network (railway Station).**
  - **Road's network (Bus, taxi station).**
- The Municipality will take advantage over the identified **Musina /Makhado SEZ and Tubatse SEZ** as Logistic Hub.

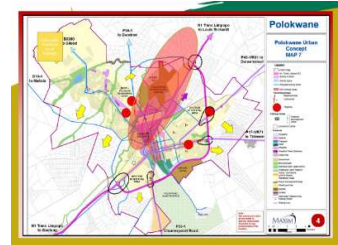


- Polokwane as a Capital City of Limpopo Province is also a gateway to Africa and rest of the World.
- Several MOU were signed for trade with the African Countries and the Municipality intend to participate in the market to boost in the **Economic Growth** through Manufacturing and processing of **raw materials**.

## 2.5. TOD precinct

### Transit Oriented Development (TOD):

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



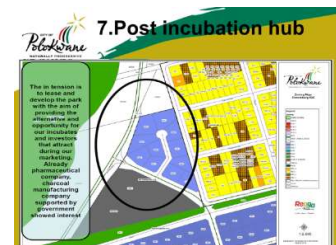
## 2.6. Softball stadium

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



## 2.7. 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.





## 2.8. 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.

### 3. Progress on priority/ Catalytic Land Development Programme.

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
1. Science Park	<ul style="list-style-type: none"> <li>• Conveyance Notaries is appointed for the drafting of the lease agreement and negotiation (Public to Public Partnership approach)</li> <li>• The Record of Decision positive</li> <li>• Basic Township establishment studies are finalised and lodgement of the Township has been done and approved by the Municipal Planning Tribunal.</li> </ul>	LEDA-connection Limpopo	Planning <b>90 %</b> for Planning Within the Functional Area 1
2. Arts and Cultural Hub	<p>Township application has been submitted and public participation concluded. The Municipality has received objection regarding the application.</p> <p>Legal Counsel need to be appointed to represent the Municipal on hearing and possible Appeals and Court processes.</p>	<p>Municipal and Department of Sports Arts and Culture.</p> <ul style="list-style-type: none"> <li>❖ Land zoning and donation to the department (municipal).</li> <li>❖ Development of the Provincial Theatre (Department) and</li> </ul>	Planning and Social 95% on Planning 30% Engineering and designs 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)
	A memo has been sent to legal department to assist with appointing legal Counsel.  Land subdivision and zoning for a theatre has begun.	will commence for construction	
<b>3. SEZ (Agro-processing and logistic) N1 North Corridor</b>	Feasibility study finalised and approved by Council. The municipality is engaging Department of Public Works for the purpose of land disposal.	Polokwane Municipality (Budgeted)	Planning and Social 100% for planning Within the Functional Area 1
<b>4. Softball stadium</b>	Planning Completed and construction has commenced	Polokwane Municipality and National Department of Sports	Planning and Economic 100% Planning done. 56% in Construction
<b>5. Post incubation Hub</b>	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
<b>6. Academic hospital</b>	Conveyancers finalise deed of donation to the Department of Public works. Zoning already approved.  Site Development Plans approved by Council.	Department of Public Works, Health and social Development/Education.	Planning 100% for Planning 5% construction Within the Functional Area 1

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
	23 August 2021		
<b>7.Urban renewal-Municipal Tours</b>	Planning for the project has commenced in 2021/2022 Financial Year as budgeted. (subject to Budget availability)	Polokwane Municipality	Planning For appointment of the service provider- Within the Functional Area 1
<b>8.Housing – Mixed housing (Social, Gap and Student housing) (Municipal entity)</b>	Annandale extension 2 construction commence for provision of rental housing. Student housing at 106 and 108 underway.	Municipal entity	Planning, Social and Economic 100% Within the Functional Area 1
<b>9.Urban renewal projects- Transit Oriented Development (TOD): <u>Truck inn (Municipal).</u></b>	Truck inn land availability approved by Council. Feasibility already approved. Incorporated in the reviewed ITPS and to be part of the freight Plan as project to be implemented in 2021/2022.	Polokwane Municipality	Planning and Economic 100% feasibility completed and 0% for implementation. Within the Functional Area 1
<b>10.Urban renewal projects in the CBD - Mixed housing around Buite and Bok Streets (Municipal)</b>	Assessment of the land ownership is in progress and development of incentive for developers to be finalised. Application of UDZ underway and to be supported by Council Resolution.	Polokwane Municipality/Private Developers	Planning and Economic Consultation with Land Owners Within the Functional Area 1
<b>11. Polokwane Mixed Housing Development (leased properties)</b>	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

#### 4. 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 and Property Management 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
- c) Continuation of Bylaw enforcement raids comprising of all business units in the municipality in order to deal with contravention of scheme zoning, illegal connection, unapproved structures, non-payment of municipal services and the general non-compliance to municipal Bylaws.

## 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**

### 5.1. CEF Modules Progress Status Quo.

- 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 Area 4 developed as 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.

### 5.2. Capital Expenditure Frameworks (CEF) Status Quo

Polokwane Municipality has concluded all three modules and the CEF was approved by the Cogta and Council as a Business plan to be aligned with the IDP and Budget.

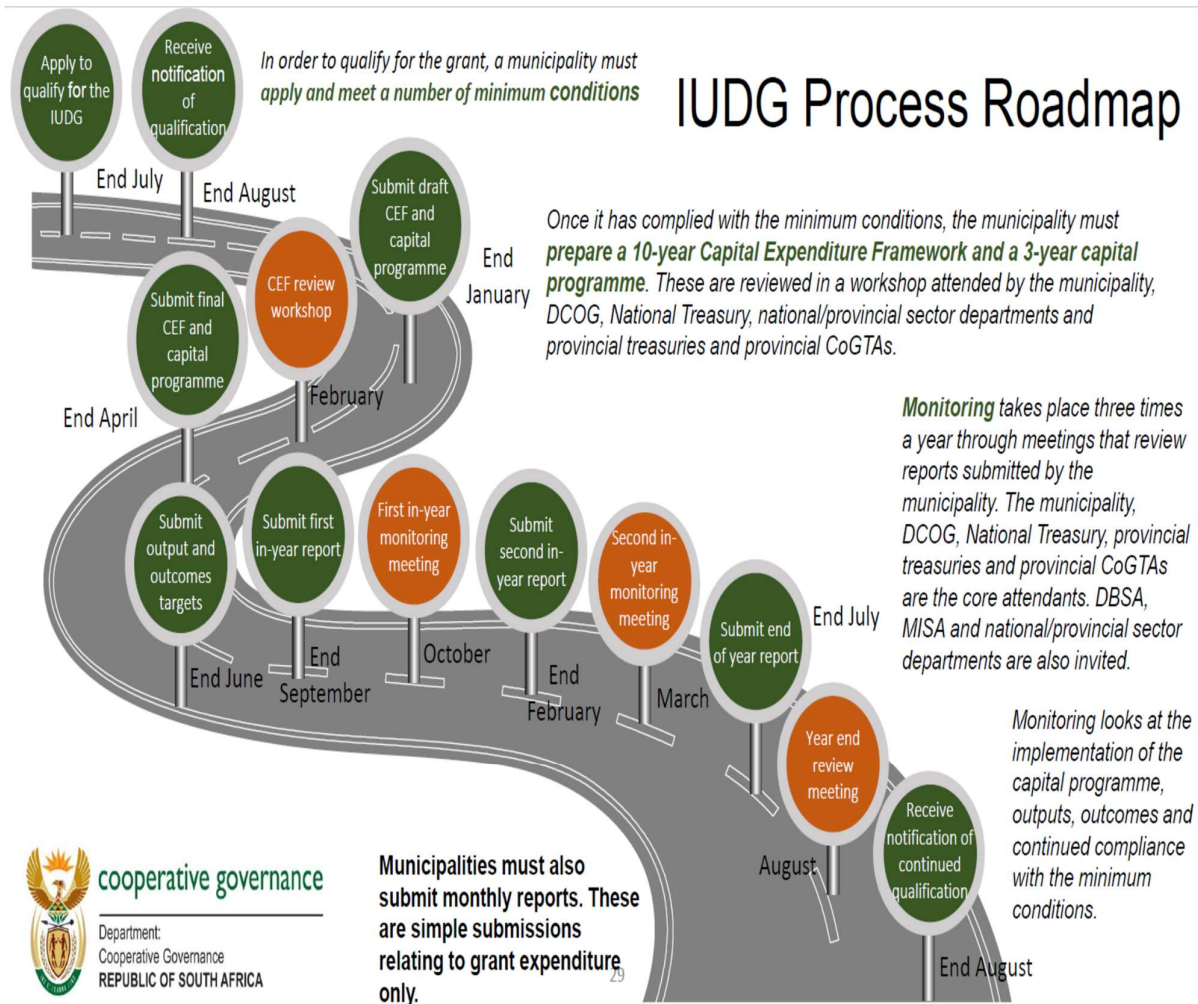
The draft revised Capital Expenditure Framework Report was planned to be ready on the 25<sup>th</sup> January 2020, but due to downward adjustment of Budget affected the program. Comments and inputs were received during the budget adjustment and will be considered once Cogta guides on the revised CEF Report.

Currently, Planning SBU is concluding its section in the CEF report. The presentation on **Module 1:** Planning was presented, and all inputs and comments Received have been included.

**Module 2:** Infrastructure – under review and soon to be concluded, the different infrastructure sections to finalize their submissions

**Module 3:** Finance is currently also in a process of developing the financial plan being guided by the above 2 Modules. The revised draft CEF (Capital Expenditure Framework) report will be submitted for inputs and comments (The downward budget adjustment has affected the overall projection and planning Process of the CEF. The final submission of the Revised CEF report is planned **June 2021**).

### 5.3. IUDG Process Roadmap followed.



**Source: Cogta Guide IUDG Process Roadmap**

#### 5.4. CEF Success and Challenges

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

Source: PLK Town Planning SBU

#### 5.5. 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**.

#### 5.6. 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 **CEF**. All **9 levers** as presented below has sharpens our approach when integrating the Municipal Planning and the other sphere of government and **SOE** as presented on the catalytic projects.

#### 5.7. Challenges experienced in endeavor 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**

### **UPGRADING OF THE WASTEWATER TREATMENT PLANTS**

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

Polokwane,

Seshego and

Mankweng.

Polokwane Wastewater Treatment Plant is the biggest with 26 MI/day capacity and the current load standing at 45 MI/day. Plans are in place to construct the 100 ML/day Regional Wastewater Treatment Plant for the whole Polokwane Municipal sewage load and to cater for new developments (however there is limited budget).

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

New Regional Wastewater treatment-The civil works contract to construct an additional 20MI/day WWTP is currently at 11% and expected to be completed by August 2025.



Seshego Wastewater Treatment Plant (Refurbishment – Emergency refurbishment are underway to improve the quality of treatment effluent).





Mankweng Wastewater Treatment Plant (Refurbishment – Emergency refurbishment are complete and have improved the quality of treatment effluent).



Polokwane Wastewater Treatment Plant (Refurbishment – Emergency refurbishment are underway to improve the quality of treatment effluent).



Polokwane will also start with the planning of construction of Mankweng bulk sanitation and WWTW upgrade and installation of Back up generators for sewer Pump stations.

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

In line with the with approved SDBIP the municipality intends to Increase percentage of Households with access to Water by 0.31% (742HH) by the 30 June 2025.

In line with the with approved SDBIP the municipality intends to Increase percentage of Households with access to sanitation by 1.04% (2487HH) by the 30 June 2025.

Currently the Municipality has provided access to 924 HH by completing the following Regional water scheme projects:

Moletjie North RWS phase 9 with 310 Yard connections installed



Mashamaite Phase 1 with 486 Yard connections installed



Magodu Phase 1 with 36 Yard connections installed



Mars Phase 1 with 82 Yard connections installed



Mashashane Phase 2 with 10 Yard connections installed



Currently the municipality has increased access to sanitation by 1818 HH by completing Thakgalang rural sanitation Phase 1 and Sebayeng rural sanitation (Ward 30 and 31)





## **CORPORATE AND SHARED SERVICES**

Information and Communication Technology Capital Budget

### **Provision of Laptops, PCs and Peripheral Devices**

The municipality is embarking on a project to upgrade and replace 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. The municipality managed to upgrade some of the servers operating system, database, and applications (e.g Financial Management System and GIS). The municipality has set aside a budget to replace some computers and laptops to keep up with technological advancements.



## 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

One of the many services that the Information and Communication Technology SBU provides is Help Desk Service where all ICT service requests are reported. To ensure that this service is offered optimally there is need to have a software application to manage all the service requests. Currently the City is utilizing a Manage Engine Solution, the solution reached end of support and there is a need for an upgrade. The Municipality has made available a budget to upgrade the application to a latest version.

## **Fleet Management Services Capital Budget**

### **Acquisition of Fleet**

In the 2023/2024, Fleet Management Services was allocated a budget of R 7 036 909 to procure 4 units through RT57 contract, comprising of the following:

2 x Panel vans (security) - still awaiting quotation from supplier

2 x Graders – 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 653 fleet units consisting of a mixed fleet of self-propelled and non-self-propelled, 428 owned fleet, with 225 units that is



59% of the overall fleet that had aged (i.e.: as far as 10-20yrs) that is guided by the Fleet Policy.

The SBU is allocated a budget of R 16 757 964 for the coming Financial Year, and the following is planned to be procured through RT57 contract:

- 1 x Compactor waste truck
- 5 x Graders
- 1 x 22-Seater bus
- 1 x 16-Seater bus
- 1 x 14-Seater bus

Fleet management services achievements during 2022/2023 financial year:



### Human Resource Management:

For the current financial year, the Municipality appointed **nine (9) officials** in managerial positions, they are as follows:

- **3 Directors**  
(Director: Roads and Stormwater, Director: Transportation and Director: Water & Sanitation)
- **2 Managers**

(Manager Building Inspections and Manager Energy Services – Planning & Development)

- **4 Assistant Managers**

(Assistant Manager: Risk Based Audit, Assistant Manager: Information Technology Audit, Assistant Manager: Financial Discipline Audit and Assistant Manager: Risk Management)

The recruitment process to fill **twenty-eight (28)** managerial positions is currently underway, i.e.:

- **4 Directors**
- **12 Managers**
- **12 Assistant Managers**

## **TRANSPORTATION SERVICES DIRECTORATE**

### **Leeto La Polokwane**

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

### **Systems Planning and Operations**

The City continues to provide public transport services to the residents of Polokwane through the Leeto La Polokwane bus service. The phase 1A operations services the communities /commuters from the Central Business District (CBD) to Seshego, Flora Park, Nirvana-Westenburg with 15 buses operating interchangeably amongst the routes on daily basis. The buses are all universally accessible to also transport people with disabilities. Operation of Leeto La Polokwane is in two (2) shifts between 05:00 am and 20:00 hours Monday to Friday; between 07:00 and 17:00 on Saturdays and between 07:00 and 15:30pm on Sundays and Public holidays.

The focus area during the 2024/25 financial year would be to improve the phase 1A operations and to expand into other phases.



## Intelligent Transport Systems Modelling

Intelligent Transport Systems (Automated Fare Collection – AFC and Public Transport Management System - PTMS) have been developed and are fully operational. The Municipality has met the full requirements for an Account-Based Ticketing (ABT) compliant Automated Fare Collection (AFC) system in line with the National Department of Transport's requirements. During the 2024/25 financial year, the Intelligent transport systems will be monitored, maintained, and improved on an ongoing basis to ensure sufficient monitoring of the public transport operations.

Other improvements to the Leeto La Polokwane Bus Service's ridership, safety, and convenience are planned for 2024/25, including route and system optimisation, as well as the installation of security cameras and WIFI on routes and buses.



## Public Transport Regulation and Monitoring

Polokwane Municipality is a Transport Planning Authority and the city thus continues providing comments on operating licence applications from the Limpopo Provincial Regulatory Entity (LPRE) wherein the Public Transport Operating Licence Committee provides guidance to the Municipal Manager.

The Public Transport Regulation and Compliance sub-unit has the responsibility to monitor Leeto La Polokwane operations to ensure that the Vehicle Operating Company (VOC) adheres to the signed Vehicle Operating Company Agreement (VOCA) signed between the Polokwane Municipality and the VOC, Esilux (Pty) Ltd.

With the 3-year Interim contract running its full course by the end of August 2024 and the draft Process Agreement for negotiation of long-term VOCA in place, the plan was for the Parties to negotiate and conclude a long-term contract. However, the Process Agreement was signed in the 2023/24 financial year as the Parties engaged on outstanding interim VOCA matters.

In 2023/24 Industry Transition sub-unit continued with preparation for negotiation of the long-term VOCA which is earmarked to be concluded in the first quarter of the 2024/25 financial year.

The Process Agreement on the negotiation Value Chain was signed thus paving the way for compilation of a draft Value Chain Agreement by the end of the 2023/24 financial year wherein

Parties did preliminary identification of value chain opportunities. Negotiation and conclusion of the Value Chain Agreement is earmarked for the 2024/25 financial year.

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

Systems Planning and Operations workstream had planned to undertake Travel Demand Surveys in the previous financial year as part of planning for further phases thus extension of the service wherein the Industry Transition was to coordinate engagements with affected taxi operators.

In the 2024/25 financial year the Industry Transition workstream shall prioritise negotiation and conclusion of the long-term VOCA in line with Section 41 (3) of the National Land Transport Act, 2009 pending conclusion of 3-year contract outstanding matters. Negotiation and conclusion of Value Chain Agreement thereafter implementation of value chain business opportunities per signed Agreement shall be prioritised.

## **IRPTN Infrastructure Projects**

### ***Completed Infrastructure Projects***

4.65km of dedicated Bus route completed.

31.49km of CBD routes have been rehabilitated in Polokwane City.

20.41km bus routes have been upgraded in Seshego.

The upgrading of the Daytime Layover facility (interim depot) is completed.

17km of Non-motorised Transport facilities have been completed.

0.25km dual by-directional carriageways for the Bus station.

Upgrading & rehabilitation of the Transit Mall Phase 1.

### ***Projects under implementation 2023/2024 FY***

The widening of the Sandriver Bridge on the Trunk Route – 82%

The construction of the Depot Civil works in Seshego (New contract)– 69%

The upgrading of the Trunk route (0.5km) (New contract)– 5%

The Refurbishment of the ablution facility and ramps at the Daytime Layover facility (New contract)-96%

The Construction of the Bus Station Upper structure and ablution facility - 95%

The construction of the Bus Depot Upper structures – new consultant appointed, busy with design review.

The upgrading of the Transit Mall phase 2- Busy with detail planning.



Public Transport Facility upgrade (PT facility upgrade) – Designs completed.

***Projects to be implemented during the 2024/2025 FY.***

The upgrading of the Trunk route.

The provision and construction of the Bus Depot Upper structures.

Completion of the Widening of the Sandriver Bridge.

The upgrading of the Transit Mall phase 2.

The provision and installation of Bus stop Shelters.

Upgrading of Public Transport Facilities.



Widening of the sand river bridge project



## Construction of Genl Joubert Bus Station Upper Structures



## Construction of Depot Civil Works

### 4.5. Public Transport Infrastructure Development/Roads and Infrastructure

The SBU is intending to upgrade roads from gravel to paving of internal streets and upgrade from gravel to surfacing of access roads of approximately 24km, Patch 50 000m<sup>2</sup> of potholes, construct 10 low level bridges, construct 0.4km of storm water, construct, 3km sidewalks, grade 3000km, re-gravel 40km, planning to install traffic lights and sign at Southern Gate way intersection, planning to upgrade the Indian centre taxi rank, complete the first phase of the station and complete first phase of the Depo in the next financial year. The Construction of the Bus Station is in progress and the Construction of the Superstructures and buildings at the Bus Depot will start in the next financial year after completion of civil works.

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

#### Molepo Chuene Maja Cluster

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

The projects are at Preliminary and Design stage.

2 low level bridges to be constructed.

#### **Mankweng Cluster**

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

The projects are at Preliminary and Design stage.

2 low level bridges to be constructed.

### **Dikgale Sebayeng Cluster**

2,3km of roads is projected for upgrading from gravel to paving and surfacing.

The projects are at Preliminary and Design stage.

2 low level bridges to be constructed.

### **Moletjie Cluster**

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

The projects are at Preliminary and Design stage.

2 low level bridges to be constructed.

### **Seshego Cluster**

4.5km of roads are earmarked for Paving in Seshego cluster

1 low level bridges to be constructed.

0,4km of storm water will be upgraded.

### **Aganang Cluster**

5.2km of roads is projected for upgrading from gravel to paving and surfacing.

The projects are at Preliminary and Design stage.

2 low level bridges to be constructed.

### **City Cluster**

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

Traffic light to be installed: 1 intersection.

Refurbishment of taxi rank in the city cluster.



Routine maintenance (Speed hump marking)



## ENERGY SERVICES



Bakone Substation was just completed and energised recently, April 2024

The INEP grant for electrification of houses for the current financial year is R 17 million rand which was allocated to Seshego zone 8 Extension (Ext 133), Polokwane Extension 40 and Moremadi park extension.



Pictures during construction



The municipality's service provider is assisting the municipality to replace bypassed electricity meters, with Smart Electrical Meters.

The municipality still has ± 1328 conventional electrical meters to be converted to pre-paid. These meters will be changed departmentally and a service provider. There is a project for converting our prepaid meters from KRN1 to KRN2 where 56969 has already converted to KRN2. The process itself helps us to find non-functional meters, bridged meters, unregistered meters and faulty meters.

The municipality has ± 800 Bulk Meters, which in essence, are all "Smart Meters". About 600 of these Meters are connected to Modems for two-way communication and AMR (automatic reading). All these meters are converted to the software service provider's portal. All meters are functioning well and integration to the municipal system is completed.

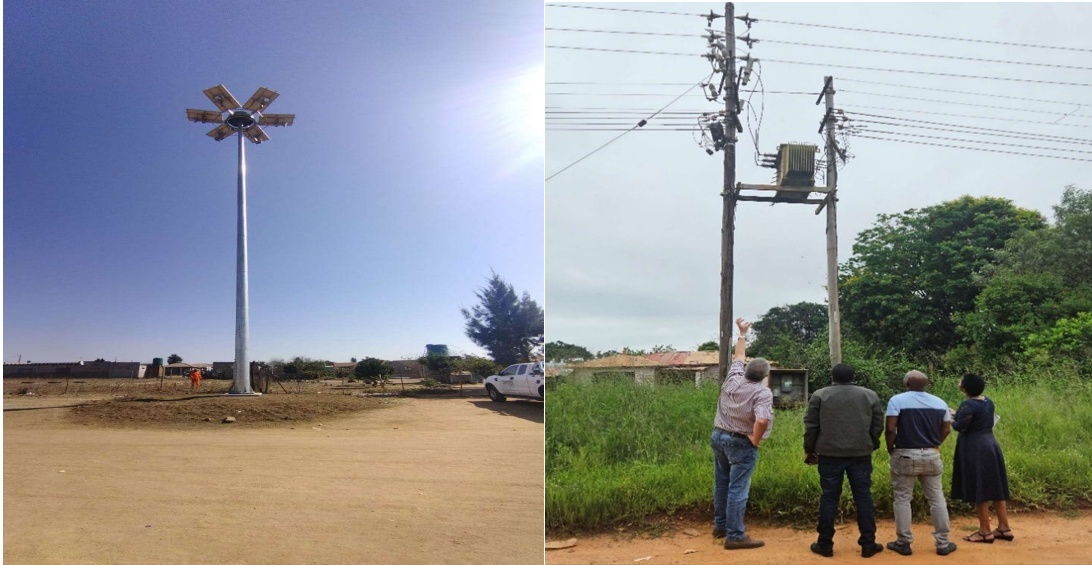
The electrification backlog is approximately 18000 and 2500 for rural and urban respectively. The challenge in urban is to cope with electrification of RDP houses provided by COGHTA while capacity is the main issue in rural. Our annual target is 1000 households depending on the availability of capacity in the Eskom supply areas and the availability of funding. To eradicate backlog, solar home systems are also underway with 1300 solar home systems allocated to Polokwane currently and waiting service providers to start with the project during May 2024.

The PowerBank project is progressing well, the feasibility studies are completed and National Treasury has issued a PPP number for the project. The second phase is preparing tender documents to appoint a Service Providers who can fund and install the PowerBanks. The third phase will be the physical installation of the units.

The municipality is also investigating the development of a Solar Farm which can augment/reduce the bulk supply from Eskom. A feasibility process has been done based on the old allowable capacities before National Government has amended the regulations to 100MW installations without applying for generation licences. The feasibility studies therefore need to be extended to take into consideration the new limits. Polokwane municipality has already installed its own solar PV at the library gardens and busy at design stage to investigate and design the roof PV for new Peter Mokaba stadium.

On High Mast lights a resolution has already been taken to change from grid connected to solar due to the capacity constraints experienced by Eskom.

The Director Energy services and MMC Energy also monitors the progress and challenges of projects on side. The solution for the current street light maintenance is to invest in solar due to the high rate of cable theft.



## **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**



## Licensing waiting area



## Mankweng learner's container



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

### Safer city projects

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

### By-law and pound operations

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

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

### **Traffic control at Congested intersections and road constructions**

- Nelson Mandela / Vermikuliet street
- Emdo/ Pietersburg's Drive/ Dendron intersection
- R71 Dalmada ring route
- R71 Paledi Mall- Mankweng

### **Licensing services**

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

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

### **Events**

Traffic control at events.

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

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

### **BY-LAW ENFORCEMENT AND SECURITY**

#### **Achievements**

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

1. Grobler & R71





## 2. Munnik & Veldspad Road



## 3. Church & Suid



## 4. Ngoako Ramahlodi Sports Complex



## 5. Mankweng Community Hall



The SBU has implemented the 24/7 shift system with the newly appointed Law Enforcement Officers to patrol municipal infrastructure that include amongst others, electric substations; and since then, no main substation was tempered with. Numerous crime prevention and safer city operations were conducted in collaboration with other law enforcement agencies and internal stakeholders. Community Safety Forum stakeholder consultations were conducted successfully. The SBU will continue to work in collaboration with other Municipal SBU's and other external institutions in conducting:

- Crime prevention operations,
- City cleansing operations,
- School safety campaigns,
- Revenue protection raids,
- Provide safety and security at municipal events and functions,
- Protect municipal properties.

The SBU will strive for the appointment of additional Law Enforcement Officers, Control Centre Technicians, Snr Security Officers, Snr Control Centre personnel, and Switchboard operators; that will assist in accelerating the fight against.

## DISASTER MANAGEMENT AND FIRE SERVICES

### Achievements

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

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

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

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

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

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

## WASTE MANAGEMENT SBU

## ACHIEVEMENTS

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

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

3.Constructed rural transfer station for temporary storage of waste in:

Vaalkop

Dikgale

Makotopong

Westenburg transfer station planning completed and designs concluded

Molepo transfer station planning completed and designs concluded

Chuene and Maja transfer stations under planning

3. Extension of rural waste management to four new villages which amounts to 51 villages in coverage.

4. Placement of sixty (60) waste skip bins to counteract illegal dumping especially disposal of nappies.

## SPORT AND RECREATION

Sport and Recreation has the potential to serve as a tool for development as well as catalyst for social and personal change. It is also worth noting that sport and recreation builds stronger, healthier, happier and safer communities, a vehicle for positive social change. The priority of the municipality is to enhance participation in Sport and Recreation activities which include hosting of municipal, district, provincial, international Sport and Recreation events. The municipality also assist sport structures with the aim of attracting major events that will market the City as sporting hub and that have an impact on the local economy. The focus continues to be provision of sport facilities and grading of rural sport facilities, conducting sport and recreation programmes and maintenance of existing infrastructure.

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. Currently the facility is not overused.

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

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

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

Seshego Stadium. Main stadium field pitch is currently being refurbished in order 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.

Ngoako Ramahlodi Indoor Sport Centre. The facility hosts more none sport and recreation activities (funerals, weddings, meetings) than sport and recreation related activities. Only karate and basketball practice sessions are held in the facility. The facility has the capacity to host more indoor sport and recreation activities such as, hockey, indoor soccer, netball, badminton, volleyball, judo, boxing, table tennis, chess, dance. The playing surface and ablution facilities need refurbishment. All the entrance and emergency doors have been refurbished in 2023/2024 with added security upgrades. The position of the fire hose reels in the oval playing area need to be changed as per the fire safety report. The water pressure from the borehole needs to be increased for usage in the ablution facilities during water shortages periods.

Polokwane Recreation Centre. The facility host 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 2024/2025 draft budget has taken into consideration the need to refurbish the courts within municipality.

Korfbal and Ring Tennis facility. The facility host community development clubs. The korfbal playing surface and lights need to be refurbished and part of the 2024/2025 budget will take care of such refurbishments.

Cricket Club . The facility is leased out to Limpopo Impala Cricket (only the club house, Field A and B) for a period of 4 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.

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.

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.

Mohlolong 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.



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.

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

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**

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.





## ENVIRONMENTAL MANAGEMENT

The Environmental management has several projects during the financial year and this 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 in order to complete it fully. It will be implemented in phase over period of three years. On the picture the work to refurbish chalets is underway.

### Upgrading of Municipal Nursery

The nursery facilities needed upgrading, the cooling system in glass houses, Shade net and structure of glass house (fibreglass) needed to be replaced and the budget we received enabled us to start. Shade net was purchased and installed, the cooling system is restored. Additional budget is needed to replace all fibre glass of all glass houses.

## **PART 4 – 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

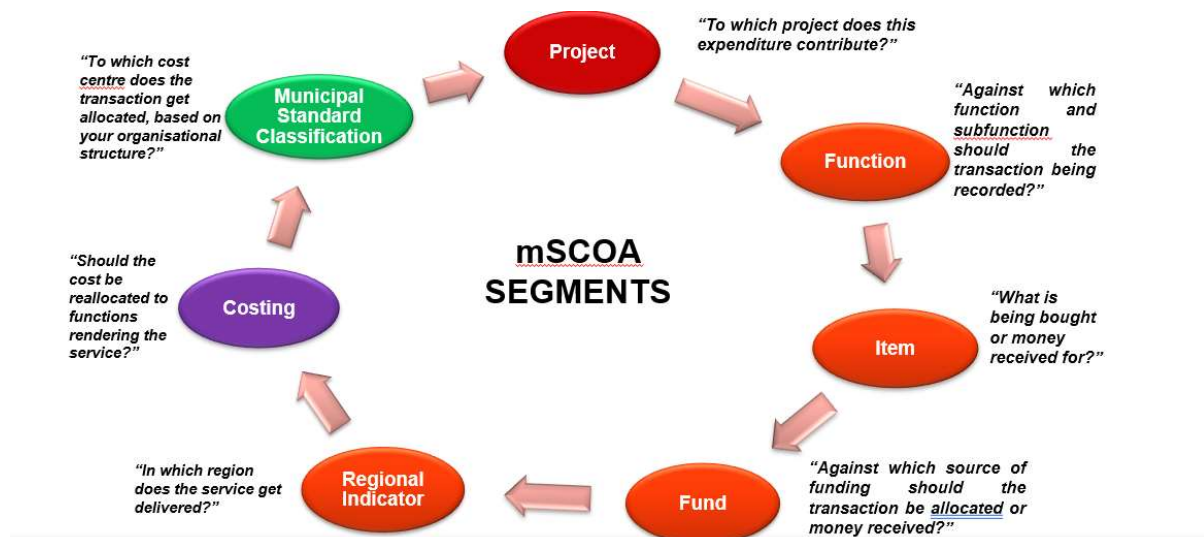
#### **mSCOA benefits**

- 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 of Compliance Rating

# 1. Progress

## 1.1 *appointment of project steering committee*

A formal *m*SCOA project was registered in the Municipality with a project sponsor (Municipal Manager), steering committee and a suitable governance structure to oversee the implementation thereof.

The Project Sponsor identified a Project Steering Committee to be the EXCO and further appointed the leaders of the Project Implementation Team which consists of Project Champion, Deputy Project Champion and Secretary who then drafted the terms of reference on how the project will be implemented, and which includes among others: the functionality of the committee, assessment of the financial system, reporting framework and key performance indicators. The following are the members:

DESIGNATION IN THE MUNICIPALITY	DESIGNATION IN <i>m</i> SCOA PROJECT
Chief Financial Officer	<i>m</i> SCOA Chairperson
Manager: Budget	<i>m</i> SCOA Product Champion
Manager: Assets	<i>m</i> SCOA Deputy Product Champion
Chief Accountant: Budget	<i>m</i> SCOA Project Secretariat

Workstreams were established to give effect to the minimum business processes and system requirements specified in MFMA Circular No. 80.

*m*SCOA compliant Budget and IDP was adopted by council on the 29<sup>th</sup> of May 2023 for the 2023/24 financial year.

Successes achieved after implementation.

- *m*SCOA compliant budget was compiled;
- All projects were linked to the IDP;
- Sub-systems integrate with the financial system.
- The submissions of data strings to National Treasury

on the web portal has green status from draft budget to monthly cumulative actuals.

- The 2023/24 budget was approved on the 29th of May 2023 and successfully uploaded on the GoMuni portal.
- The 2023/24 adjustment budget and 2024/25 draft budget were approved on the 28th of March 2024 and successfully uploaded on the GoMuni portal.

The status of the municipality on document uploaded is depicted below on an extract from GoMuni Local Government Database.

Demarcation Description	Demarc Code	Demarc CAP	Financial Period	Submission Type	Submission Code	Document Uploaded	Log ID	Document Name	Submission Version	Status
Location Level Selected: National (All)										
Province : LIMPOPO ( LP )										
Polokwane	LIM354	H	2023	Financial Statement Audited	D20A	2024/02/21 09:05:17	152939	LIM354_Financial Statement Audited_2023_Y_20240221T090517Z_zincim2.pdf	1	Approved
			2024	B Schedule	D007	2024/02/29 15:47:29	153600	LIM354_B Schedule_2024_Y_20240229T154729Z_zincim2.pdf	1	Approved
				Budget Document Revised	D012	2024/02/29 21:55:19	153666	LIM354_Budget Document Revised_2024_Y_20240229T215519Z_zincim2.pdf	1	Approved
				Budget Resolution Revised	D016	2024/02/29 16:02:36	153601	LIM354_Budget Resolution Revised_2024_Y_20240229T160236Z_zincim2.pdf	1	Approved
				C Schedule-M07	D17G	2024/02/12 15:13:08	151435	LIM354_C Schedule_2024_M07_20240212T151308Z_molebohengm.pdf	1	Approved
				C Schedule-M08	D17H	2024/03/13 14:55:19	155133	LIM354_C Schedule_2024_M08_20240313T145519Z_molebohengm.pdf	1	Approved
				C Schedule-M09	D17I	2024/04/12 12:11:27	171933	LIM354_C Schedule_2024_M09_20240412T121127Z_molebohengm.pdf	1	Approved
				Monthly Primary Bank Recon-M07	D40G	2024/03/08 12:05:15	154473	LIM354_Monthly Primary Bank Recon_2024_M07_20240308T120515Z_zincim2.pdf	2	Approved
				Monthly Primary Bank Recon-M08	D40H	2024/03/08 10:31:02	154451	LIM354_Monthly Primary Bank Recon_2024_M08_20240308T103102Z_zincim2.pdf	1	Approved
				Monthly Primary Bank Recon-M09	D40I	2024/04/04 14:34:12	170256	LIM354_Monthly Primary Bank Recon_2024_M09_20240404T143412Z_zincim2.pdf	1	Approved
				Monthly Primary Bank Statement-M07	D39G	2024/02/07 08:34:14	150824	LIM354_Monthly Primary Bank Statement_2024_M07_20240207T083414Z_zincim2.pdf	1	Approved
				Monthly Primary Bank Statement-M08	D39H	2024/03/08 10:31:25	154452	LIM354_Monthly Primary Bank Statement_2024_M08_20240308T103125Z_zincim2.pdf	1	Approved
				Monthly Primary Bank Statement-M09	D39I	2024/04/04 14:34:47	170257	LIM354_Monthly Primary Bank Statement_2024_M09_20240404T143447Z_zincim2.pdf	1	Approved
				Monthly Trial Balance-M05	D38E	2024/02/19 12:40:54	152775	LIM354_Monthly Trial Balance_2024_M05_20240219T124054Z_molebohengm.pdf	1	Approved
				Monthly Trial Balance-M07	D38G	2024/02/07 08:33:16	150825	LIM354_Monthly Trial Balance_2024_M07_20240207T083316Z_zincim2.pdf	1	Approved
				Monthly Trial Balance-M08	D38H	2024/03/08 10:24:18	154432	LIM354_Monthly Trial Balance_2024_M08_20240308T102418Z_zincim2.pdf	1	Approved
				Quality Certificate Revised	D031	2024/02/29 16:02:53	153602	LIM354_Quality Certificate Revised_2024_Y_20240229T160253Z_zincim2.pdf	1	Approved
				Quality Certificate S71 Monthly-M07	D45G	2024/02/12 15:59:43	151448	LIM354_Quality Certificate S71 Monthly_2024_M07_20240212T155943Z_molebohengm.pdf	1	Approved
				Quality Certificate S71 Monthly-M08	D45H	2024/03/13 15:01:10	155134	LIM354_Quality Certificate S71 Monthly_2024_M08_20240313T150110Z_molebohengm.pdf	1	Approved
				Quality Certificate S71 Monthly-M09	D45I	2024/04/12 12:12:14	171934	LIM354_Quality Certificate S71 Monthly_2024_M09_20240412T121214Z_molebohengm.pdf	1	Approved
				Quarterly Performance Report S524-Q2	D56B	2024/02/06 13:46:18	150728	LIM354_Quarterly Performance Report S524_2024_Q2_20240206T134618Z_molebohengm.pdf	2	Approved
				Quarterly mSCOA Implementation Progress Report-Q2	D96B	2024/02/06 11:40:09	150705	LIM354_Quarterly mSCOA Implementation Progress Report_2024_Q2_20240206T114009Z_zincim2.pdf	1	Approved
				Resolution Mid-Yr Budg Perf Assess S72	D032	2024/02/20 11:29:12	152853	LIM354_Resolution Mid-Yr Budg Perf Assess S72_2024_Y_20240220T112912Z_zincim2.pdf	1	Approved
				S71 monthly report-M07	D33G	2024/02/12 16:00:01	151449	LIM354_S71 monthly report_2024_M07_20240212T160001Z_molebohengm.pdf	1	Approved
				S71 monthly report-M08	D33H	2024/03/13 15:08:25	155136	LIM354_S71 monthly report_2024_M08_20240313T150825Z_molebohengm.pdf	2	Approved
				S71 monthly report-M09	D33I	2024/04/12 12:12:39	171935	LIM354_S71 monthly report_2024_M09_20240412T121239Z_molebohengm.pdf	1	Approved
				Signed Borrowing Monitoring-Q2	D54B	2024/02/06 11:42:04	150706	LIM354_Signed Borrowing Monitoring_2024_Q2_20240206T114204Z_zincim2.pdf	1	Approved
				Signed Investment Monitoring-Q1	D55A	2024/02/19 12:44:25	152776	LIM354_Signed Investment Monitoring_2024_Q1_20240219T124425Z_molebohengm.pdf	2	Approved
				Signed Investment Monitoring-Q2	D55B	2024/02/06 11:43:05	150708	LIM354_Signed Investment Monitoring_2024_Q2_20240206T114305Z_zincim2.pdf	1	Approved
			2025	A1 Schedule Draft	D001	2024/03/28 23:57:53	168245	LIM354_A1 Schedule Draft_2025_Y_20240328T235753Z_zincim2.pdf	2	Approved
				Borrowing Policy Draft	D059	2024/03/28 22:12:15	168246	LIM354_Borrowing Policy Draft_2025_Y_20240328T221215Z_molebohengm.pdf	1	Approved
				Budget Document Draft	D010	2024/03/28 23:55:20	168247	LIM354_Budget Document Draft_2025_Y_20240328T235520Z_zincim2.pdf	1	Approved
				Budget Resolution Draft	D014	2024/03/28 22:13:29	168248	LIM354_Budget Resolution Draft_2025_Y_20240328T221329Z_molebohengm.pdf	1	Approved
				Cash Management and Investment Policy Draft	D063	2024/03/28 22:13:50	168249	LIM354_Cash Management and Investment Policy Draft_2025_Y_20240328T221350Z_molebohengm.pdf	1	Approved
				Credit Control and Debt Collection Policy Draft	D065	2024/03/28 22:14:18	168250	LIM354_Credit Control and Debt Collection Policy Draft_2025_Y_20240328T221418Z_molebohengm.pdf	1	Approved
				Funding and Reserves Policy Draft	D067	2024/03/28 22:15:16	168252	LIM354_Funding and Reserves Policy Draft_2025_Y_20240328T221516Z_molebohengm.pdf	1	Approved
				IDP Draft	D022	2024/03/28 22:08:51	168253	LIM354_IDP Draft_2025_Y_20240328T220851Z_molebohengm.pdf	1	Approved
				Indigents Policy Draft	D069	2024/03/28 22:15:33	168255	LIM354_Indigents Policy Draft_2025_Y_20240328T221533Z_molebohengm.pdf	1	Approved
				Policy related to the Management and Disposal of Assets Draft	D075	2024/03/28 22:16:01	168256	LIM354_Policy related to the Management and Disposal of Assets Draft_2025_Y_20240328T221601Z_molebohengm.pdf	1	Approved
				Quality Certificate Draft	D029	2024/03/28 22:11:52	168257	LIM354_Quality Certificate Draft_2025_Y_20240328T221152Z_molebohengm.pdf	1	Approved
				Service Standards Draft	D018	2024/03/28 22:18:19	168258	LIM354_Service Standards Draft_2025_Y_20240328T221819Z_molebohengm.pdf	1	Approved
				Supply Chain Management Policy Draft	D079	2024/03/28 22:18:40	168259	LIM354_Supply Chain Management Policy Draft_2025_Y_20240328T221840Z_molebohengm.pdf	1	Approved
				mSCOA Road Map Draft	D093	2024/03/28 23:37:12	168260	LIM354_mSCOA Road Map Draft_2025_Y_20240328T233712Z_zincim2.pdf	1	Approved

Annexure: National Treasury log of Datastrings uploaded in the first and

second quarter.

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## **1.2 project plan**

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Listed below are the deliverables that will be performed during the project.

Project Initiation – Chief Financial Officer

- municipal Standard Chart of Accounts (mSCOA) regulations, project documentation, position papers and ICF documentation were read, and costing manuals are updated as and when the need is identified.
- Review of the current chart and mSCOA tables has been performed.
- mSCOA circulars one to six have been reviewed and discussed with the implementation team.
- A survey on the awareness was conducted with the following outcomes.
  - Ongoing training required to capacitate staff;
  - A proper support team to end users must be in place for effective business continuity; and
  - mSCOA Communication Plan need to update continuously.
- mSCOA Steering Committee was commissioned and the committee meet regularly to address MSCOA challenges.
- MSCOA action plan was implemented to address the findings raised by National Treasury and Internal Auditors. Audit Report is attached on annexure A.

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## **1.3 USER PROFICIENCY AND TRAINING**

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- An awareness workshop was conducted on the 30<sup>th</sup> of June 2023 for Management and workstream members and Budget for 2023/24 circular was shared.
- Adequate training on mSCOA business processes must be given to end users.

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## **1.4 INFORMATION AND COMMUNICATION TECHNOLOGY**

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- The municipality has access to ICT hardware (computers and servers), software (Microsoft) and licences (used on the software) that is sufficient to run the financial management system. The ICT components are maintained, upgraded and renewed as and when required to be able to optimally use the financial

management systems. The municipality is utilising a core financial system solution that accommodate its ICT connectivity needs. The municipal officials are sufficiently capacitated on all system modules and functionalities to use the financial management system. A suitably qualified System Administrator is appointed, and the required IT securities and delegations are in place.

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### **1.5** *SYSTEM FUNCTIONALITY*

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- The Municipality use MUNSOFT system (3<sup>rd</sup> party system) that has a direct impact on the General Ledger that integrate fully and seamlessly with the ERP system in terms of the mSCOA Regulations (Example Billing, Supply Chain Management, Inventory and Stores and Budgeting and Planning). The data contained in the 3rd party system synchronise without any human or manual intervention integrate to the ERP system in real time or and drill down from the ERP system to the General Ledger of the 3rd party system.

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### **1.6** *Release of Version 6.8 of the Chart*

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- Version 6.8 of the chart will be effective from 2024/25 and the Municipality used it to compile the 2024/25 MTREF Draft Budget.

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### **1.7** *mSCOA reporting on Value Added Tax (VAT)*

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- The municipality is registered for VAT In terms of the VAT Act, 1991 (Act No. 89 of 1991) and its amendments. The municipalities declare Output tax on the taxable supply of goods and services and claim Input tax credits on expenses incurred in the course or furtherance of the enterprise (the taxable supplies). The output tax is declared, and the input tax claimed by completing a VAT 201 return.

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### **1.8** *USE of function segment to achieve GRAP 18 segmental reporting*

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- The mSCOA function and region segments are used to comply with the GRAP 18 reporting requirements.
- The function segment records the major activities that generate the most economic benefits or service potential of the municipality. The implication will be that all income and expenditure transactions related to a specific trading service (function) must be budgeted for and transacted within that function. Therefore, where grants are allocated to trading services, the grant must be budgeted for

and transacted in the Trading Services function. The function is correctly identified as a core or non-core function.

- The region segment identifies the lowest relevant geographical regional indicator of the intended contributor or beneficiaries that will contribute/ benefit directly from the given service or capital investment. We have identified the lowest geographical regional indicator in the region segment when we budget, transact and report to provide data on the geographic disclosures required in GRAP 18.

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**1.9** *PERIOD closure and reconciliation of General Ledger*

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- At the end of each month the municipality closes the month and reconcile with its records in terms of Section 65 (2)(j) of the MFMA

<b>System Architecture</b>		
<b>Indicators</b>	<b>Implementation Status</b>	<b>Implementation Challenges</b>
<b>Is the ICT infrastructure (i.e. hardware, software and licences) adequate to run systems solution?</b>	Servers, software and licenses are <b>adequate</b> . However, there is a need to <b>upgrade</b> the network infrastructure and some of the desktop computers	<b>Budget constraints</b> as the upgrade is needed in multiple offices.
<b>Does the information from entities seamlessly integrated with the core EMS?</b>	Partially integrated.	There are some challenges on the Opening Balances. C and F Schedules are running smoothly
<b>Does the municipality generate consolidated budgets, IYM reports and AFS from the core EMS?</b>	All budgets are prepared in the system. Munsoft has introduced Munsoft Reporting tool for IYM and Budgets. AFS are produced on Caseware using MSCOA template	No challenges on MUNSOFT Reporting and Caseware
<b>Can the municipality generate the regulated schedules (A, B and C) from the EMS?</b>	Munsoft Reporting Tool is capable to generate all schedules	None



Indicators	IDP Projects	Budget Management	SCM	Billing Receipting	General Ledger	Inventory	Asset Management	Payroll	Creditors
Which of the following modules on the core EMS is used by the municipality?									
If the module of the core EMS is not used, which 3rd party system is used?	N/A	N/A	N/A	N/A	N/A	N/A	Asset solve	Sage	N/A
Why is the core EMS functionality not used?	N/A	N/A	N/A	N/A	N/A	N/A	Implementation underway	No payroll module on the core financial module	N/A
Does the 3rd party system integrate seamlessly (no manual intervention) with the core EMS?	N/A	N/A	N/A	N/A	N/A	N/A	No	Yes	N/A

## Annexure A

### CAPITAL PROGRAMME



MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
<b>Facility Management- Corporate and Shared Services</b>							
Civic Centre refurbishment	CRR	3 155 304	3 628 600	-	-	-	-
Renovation of offices	CRR	-	-	2 197 977	2 527 674	2 000 000	2 300 000
Upgrading of Seshego Library	CRR	-	-	-	-	435 029	500 283
Refurbishment of Municipal Public toilets	CRR	-	-	-	-	953 461	1 096 480
Refurbishment of Jack Botes Hall	CRR	1 310 590	1 507 179	-	-	-	-
Refurbishment of Westernburg Hall	CRR	-	-	-	-	580 000	667 000
Refurbishment of Nirvana Hall	CRR	-	-	-	-	580 000	667 000
Refurbishment Aganang Cluster offices	CRR	-	-	957 327	1 100 926	326 272	375 213
Municipal Furniture and Office Equipment's	CRR	500 000	575 000	500 000	575 000	326 272	375 213
New Municipal Offices HQ (Polokwane Towers)Planning	CRR	-	-	-	-	1 000 000	1 150 000
Construction of Ramps in all Municipal Buildings	CRR	-	-	-	-	972 669	1 118 569
Installation of Carports with Roof Sheeting's at staff Parking (Bodenstein Street and Civic Centre Directors Parking )	CRR	1 665 000	1 914 750	1 806 000	2 076 900	1 806 000	2 076 900
<b>Total Facility Management- Corporated and Shared Service</b>		<b>6 630 894</b>	<b>7 625 528</b>	<b>5 461 304</b>	<b>6 280 500</b>	<b>8 979 703</b>	<b>10 326 658</b>
<b>Roads &amp; Stormwater - Transport Services</b>							
Rehabilitation of streets in Seshego Cluster through(Vukuphile)	CRR	-	-	-	-	1 000 000	1 150 000
Refurbishment of Damaged Road signage in the City CBD	CRR	700 000	805 000	1 000 000	1 150 000	1 500 000	1 725 000
Flood Repair and Stormwater upgrade in Futura Street to Sandriver stream	CRR	720 908	829 044	-	-	-	-
Refurbishment of Street Names Boards in the City CBD	CRR	1 400 000	1 610 000	1 000 000	1 150 000	1 500 000	1 725 000
Upgrading of Storm Water in Seshego	CRR	-	-	877 393	1 009 002	1 400 000	1 610 000
Upgrading of storm water system in Laboria next to Jumbo	CRR	1 594 000	1 833 100	-	-	-	-
Upgrading of storm water system in Mankweng Unit G next to LG	CRR	-	-	2 000 000	2 300 000	-	-

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Installation of Traffic lights at Gilead road and Mohlala intersection as well as at R37 next to Sasol garage	<b>CRR</b>	-	-	3 762 543	4 326 925	-	-
Paving of AKI streets in RDP section SDA1 (Luthuli)	<b>IUDG</b>	890 935	1 024 575	2 797 731	3 217 391	4 347 826	5 000 000
Paving of internal ring roads to University road in Toronto	<b>IUDG</b>	888 798	1 022 118	-	-	869 565	1 000 000
Paving of internal streets in Mountain view	<b>IUDG</b>	6 714 885	7 722 118	-	-	2 608 696	3 000 000
Paving of internal streets at Mankgaile, Ga-Mokoatedi to D4040 until GaRachidi	<b>IUDG</b>	3 499 630	4 024 575	-	-	1 739 130	2 000 000
Paving of internal streets in Seshego Zone 1	<b>IUDG</b>	2 630 065	3 024 575	1 172 023	1 347 826	-	-
Paving of internal streets in Seshego Zone 2	<b>IUDG</b>	2 630 065	3 024 575	1 172 023	1 347 826	-	-
Paving of internal streets in Seshego Zone 3	<b>IUDG</b>	2 630 065	3 024 575	1 172 023	1 347 826	-	-
Paving of internal streets in Seshego Zone 5	<b>IUDG</b>	2 630 065	3 024 575	1 172 023	1 347 826	-	-
Paving of internal streets in Seshego Zone 6	<b>IUDG</b>	2 630 065	3 024 575	1 172 023	1 347 826	-	-
Paving of internal streets in Seshego Zone 8	<b>IUDG</b>	2 630 065	3 024 575	415 879	478 261	-	-
Paving of internal street in Ga Rankhuwe	<b>IUDG</b>	1 760 500	2 024 575	-	-	-	-
Paving of internal streets in Extension 75 (Ward 14)	<b>IUDG</b>	2 608 696	3 000 000	-	-	-	-
Paving of Dwars Street Connecting ext 40 and 78.(Ward 08)	<b>IUDG</b>	2 041 588	2 347 826	-	-	-	-
Planning of Paving of internal street at Disteneng	<b>IUDG</b>	890 935	1 024 575	2 630 065	3 024 575	2 608 696	3 000 000
Paving of internal street at Madiga(Ward 29)	<b>IUDG</b>	869 565	1 000 000	-	-	-	-
Paving of internal street from University road to Makanye primary school	<b>IUDG</b>	1 739 130	2 000 000	1 739 130	2 000 000	-	-
Paving of Kopermyn internal road Ga- Maja (Ward 2)	<b>IUDG</b>	1 739 130	2 000 000	-	-	869 565	1 000 000
Paving of internal street at Ceres(Ward 45)	<b>IUDG</b>	869 565	1 000 000	-	-	-	-
Paving of internal street in Ga Dikgale Moshate	<b>IUDG</b>	1 833 649	2 108 696	2 476 370	2 847 826	1 626 087	1 870 000
Upgrading of streets in Nirvana extension	<b>IUDG</b>	2 608 696	3 000 000	1 739 130	2 000 000	2 608 696	3 000 000
Paving of streets in Westernburg RDP Section	<b>IUDG</b>	2 630 065	3 024 575	941 892	1 083 176	2 608 696	3 000 000
Construction of overhead bridge at Outspan street	<b>IUDG</b>	-	-	-	-	14 782 609	17 000 000
Paving of streets in Benharris from Zebediela to D19(ward 08)	<b>IUDG</b>	2 367 059	2 722 118	3 096 902	3 561 437	-	-

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Paving of Bloodriver main road via Mulautsi high school to agriculture	IUDG	2 367 059	2 722 118	3 096 902	3 561 437	3 043 478	3 500 000
Paving of internal street in Mankweng Unit A, to Pulamadibogo street from	IUDG	2 367 059	2 722 118	3 096 902	3 561 437	2 608 696	3 000 000
Paving of internal street from Solomondale to D3997 (ward 32)	IUDG	3 671 407	4 222 118	2 227 337	2 561 437	-	-
Paving of internal street ring road at Ga-Makibelo to Hlahla (ward 38)	IUDG	3 711 679	4 268 431	2 681 023	3 083 176	-	-
Construction of Storm Water in Ga Semenya	IUDG	3 024 575	3 478 261	2 173 913	2 500 000	-	-
Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	IUDG	2 367 059	2 722 118	-	-	-	-
Upgrading of storm water in Polokwane ext. 76	IUDG	2 268 431	2 608 696	-	-	-	-
Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna	IUDG	2 367 059	2 722 118	-	-	-	-
Paving of Road from Matsiokwane Village to Ngwanalaka crossing at	IUDG	869 565	1 000 000	2 173 913	2 500 000	-	-
Paving of access road to Moshate wa Mothapo	IUDG	1 642 380	1 888 737	217 391	250 000	-	-
Paving of access road to Moshate wa Moletji	IUDG	1 739 130	2 000 000	217 391	250 000	-	-
Paving of streets in Thakgalang	IUDG	434 783	500 000	434 783	500 000	2 608 696	3 000 000
Rehabilitation of Bodenstein from Schoeman to Oost	IUDG	869 565	1 000 000	-	-	-	-
Rehabilitation of Burger from Hospital to Suid	IUDG	869 565	1 000 000	-	-	-	-
Rehabilitation of Hans Van Rensburg from Hospital to Suid	IUDG	869 565	1 000 000	-	-	-	-
Rehabilitation of Jorrisen from Munnik ave to Dahl	IUDG	869 565	1 000 000	-	-	-	-
Rehabilitation of Boom from Devenish to Excelsior	IUDG	869 565	1 000 000	-	-	-	-
Rehabilitation of Rabe from Oost to Bok (From Plain)	IUDG	869 565	1 000 000	-	-	-	-
Rehabilitation Dorp from Hospital to Suid	IUDG	869 565	1 000 000	-	-	-	-
Completion of Beryl from Veldspaat to Mangnesiet	IUDG	869 565	1 000 000	-	-	-	-
Upgrading of stormwater in Ivypark (Emperor)	IUDG	869 565	1 000 000	-	-	-	-
Planning for construction of service road in Dalmada	IUDG	869 565	1 000 000	-	-	-	-
Hospital view additional roads	NDPG	13 176 483	15 152 956	6 956 522	8 000 000	-	-
Construction of Nelson Mandela Bo-okelo, Ditlou Crossing	NDPG	11 087 301	12 750 396	11 449 659	13 167 108	-	-
Construction of Storm water Canal in Seshego	NDPG	14 852 737	17 080 648	4 632 004	5 326 805	-	-
Streetscape design and construction of access streets and pedestrian walkways within x108, east of F8 portion of the hub	NDPG	-	-	2 022 684	2 326 087	8 695 652	10 000 000



MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Polokwane X108 Design, and implementation of internal engineering services	NDPG	-	-	-	-	14 782 609	17 000 000
Upgrading of Triangle Park	NDPG	-	-	3 043 478	3 500 000	-	-
Planning, Design, and Construction of public space NMT, street scaping, and lighting to create Ecological Boulevard	NDPG	-	-	-	-	4 782 609	5 500 000
Construction of Safe Hub in Seshego	NDPG	-	-	-	-	8 695 652	10 000 000
Flood Repair and Stormwater upgrade in Futura Street to Sandriver stream	MDRG	4 143 478	4 765 000	4 143 478	4 765 000	-	-
Rehabilitation of Grobler from Biccard to Webster	PTNG	10 434 783	12 000 000	8 695 652	10 000 000	11 304 348	13 000 000
Rehabilitation of Dorp street from Grobler to Rabe street	PTNG	6 956 522	8 000 000	5 217 391	6 000 000	5 217 391	6 000 000
Rehabilitation of Grobler from Dewet to Savannah	PTNG	5 217 391	6 000 000	2 173 913	2 500 000	-	-
Rehabilitation of Thabo Mbeki from Savannah to Webster	PTNG	7 391 304	8 500 000	4 347 826	5 000 000	-	-
to Eiland	PTNG	3 913 043	4 500 000	434 783	500 000	-	-
Rehabilitation of Eiland from Grobler to Grobler service road	PTNG	3 478 261	4 000 000	869 565	1 000 000	-	-
Rehabilitation of Gypsum street from Tagore to Nelson Mandela	PTNG	-	-	3 913 043	4 500 000	10 434 783	12 000 000
<b>Total Roads &amp; Stormwater -Transport Services</b>		<b>170 325 269</b>	<b>195 874 060</b>	<b>104 556 704</b>	<b>120 240 210</b>	<b>112 243 478</b>	<b>129 080 000</b>
<b>Water Supply and reticulation - Water and Sanitation Services</b>							
Installation of Prepaid Water Meters (City, Seshego & Mankweng)	CRR	7 860 870	9 040 000	540 013	621 015	358 812	412 634
Aganang Bulk Water Transfer Scheme	CRR	1 400 000	1 610 000	-	-	-	-
Installation of Back-up Generators for WTW	CRR	1 800 000	2 070 000	-	-	-	-
Acquisition of Fleet for O & M	CRR	1 000 000	1 150 000	-	-	-	-
Provision of Bulk Engineering Services (SDA 2)	CRR	8 200 000	9 430 000	-	-	-	-
CRR Polokwane Bulk Water Supply	CRR	13 043 478	15 000 000	-	-	-	-
Olifantspoort RWS (Mmotong wa Perekisi)	IUDG	2 698 575	3 103 361	3 604 537	4 145 217	5 666 957	6 517 000
Mothapo RWS	IUDG	4 512 430	5 189 295	3 228 322	3 712 570	3 876 632	4 458 127
Moletjie East RWS	IUDG	2 197 863	2 527 543	5 935 728	6 826 087	6 049 149	6 956 521



MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
<b>Sewer Reticulation - Water and Sanitation Service</b>							
Sewer Combination Trucks/Super Suckers	<b>CRR</b>	3 434 783	3 950 000	378 436	435 202	1 689 408	1 942 819
Mankweng Bulk Sanitation & WWTW	<b>CRR</b>	3 434 783	3 950 000	-	-	-	-
Installation of Back-up Generators for Sewer Pump Station	<b>CRR</b>	1 200 000	1 380 000	-	-	-	-
CRR WIP Polokwane Regional waste Water treatment plant	<b>CRR</b>	13 043 478	15 000 000				
Regional Waste Water Treatment Plant	<b>RBIG</b>	42 178 261	48 505 000	135 225 217	155 509 000	222 181 739	255 509 000
Polokwane Bulk Water Supply	<b>RBIG</b>	67 398 261	77 508 000	-	-	-	-
<b>Total Sewer Reticulation - Water and Sanitation</b>		<b>130 689 565</b>	<b>150 293 000</b>	<b>135 603 654</b>	<b>155 944 202</b>	<b>223 871 147</b>	<b>257 451 819</b>
<b>Energy Services - Energy</b>							
Installation of High Mast lights (Rural Area ) Fynbos	<b>CRR</b>	1 000 000	1 150 000				
Installation of High Mast lights (Rural Area ) Seshego Luthuli	<b>CRR</b>	1 000 000	1 150 000				
Installation of High Mast lights (Rural Area ) OR Tambo View	<b>CRR</b>	1 000 000	1 150 000				
Installation of High Mast lights (Rural Area ) Ga Mamabolo (Moshate)	<b>CRR</b>	1 000 000	1 150 000				
Installation of High Mast lights (Rural Area ) Tibana	<b>CRR</b>	1 000 000	1 150 000	-	-	-	-
Upgrade SCADA and RTU	<b>CRR</b>	9 000 000	10 350 000	9 000 000	10 350 000	-	-
Replacement of Oil RMU's and Substation switchgear	<b>CRR</b>	-	-	-	-	-	-
Install New Bakone to IOTA 66KV double circuit GOAT line	<b>CRR</b>	15 000 000	17 250 000	3 809 340	4 380 741	-	-
Design and construction 66KV Distribution substation Mattlala	<b>CRR</b>	-	-	5 000 000	5 750 000	11 760 000	13 524 000
Design and construct 66kV line between Alpha and Mattlala substations	<b>CRR</b>	5 000 000	5 750 000	20 000 000	23 000 000	10 000 000	11 500 000
Designs for Electrification of Urban Households in Extension, 126, 127, 134,78	<b>CRR</b>	2 000 000	2 300 000	3 000 000	3 450 000	2 000 000	2 300 000
Retrofit Street Lights in the City CBD with Solar lights	<b>CRR</b>	-	-	-	-	-	-
Retrofit high mast lights with Solar lights in Rural Clusters	<b>CRR</b>	1 000 000	1 150 000	-	-	-	-

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Solar High Mast Lights Extension 78 and Seshego zone 8 Extension	<b>CRR</b>	2 000 000	2 300 000	3 000 000	3 450 000	2 000 000	2 300 000
Civic Center Solar High Mast lights	<b>CRR</b>	1 000 000	1 150 000	-	-	-	-
Installation of Solar High Mast lights (City entrances)	<b>CRR</b>	2 600 000	2 990 000	-	-	-	-
Replacement of 11kV oil switchgears with latest technology switchgear	<b>CRR</b>	1 622 320	1 865 668	-	-	1 500 000	1 725 000
Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 2 and phase 3)	<b>INEP</b>	7 454 783	8 573 000	-	-	-	-
Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 4)	<b>INEP</b>	-	-	3 478 261	4 000 000	-	-
Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 5)	<b>INEP</b>	-	-	-	-	4 347 826	5 000 000
Electrification Of Urban Households in Extension 78	<b>INEP</b>	3 478 261	4 000 000	-	-	-	-
<b>Total Energy Services - Energy</b>		<b>55 155 364</b>	<b>63 428 668</b>	<b>47 287 601</b>	<b>54 380 741</b>	<b>31 607 826</b>	<b>36 349 000</b>
						-	
<b>Disaster and Fire - Public Safety</b>							
Acquisition of fire Equipment	<b>CRR</b>	700 000	805 000	500 000	575 000	500 000	575 000
Floto pumps	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
65 and 100 mm Large Fire bore hoses with stortz coupling	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
38mm small Fire hoses with instantaneous couplings	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
Miscellaneous equipment and gear/ Ancillary equipment	<b>CRR</b>	300 000	345 000	300 000	345 000	300 000	345 000
Hydraulic equipment	<b>CRR</b>	3 000 000	3 450 000	600 000	690 000	3 000 000	3 450 000
Electric submersible portable pump	<b>CRR</b>	200 000	230 000	3 000 000	3 450 000	200 000	230 000
Multipurpose branches Monitors	<b>CRR</b>	200 000	230 000	200 000	230 000	100 000	115 000
Obsolete fire equipment: Lighting and high mast	<b>CRR</b>	350 000	402 500	350 000	402 500	100 000	115 000
Rescue ropes/high angle	<b>CRR</b>	1 000 000	1 150 000	1 000 000	1 150 000	1 300 000	1 495 000
Industrial lifting rescue equipment,	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
Upgrading of Fire Training facility	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
Extension of Silicon Fire station (Planning)	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
New Matlala Fire Station Planning	<b>CRR</b>	1 000 000	1 150 000	1 000 000	1 150 000	100 000	115 000
New Fire Station at Molepo/Chuene/Maja Cluster(Planning ) and construction	<b>CRR</b>	1 000 000	1 150 000	1 000 000	1 150 000	100 000	115 000
New Moletji Fire Station (Planning)	<b>CRR</b>	1 000 000	1 150 000	850 000	977 500	100 000	115 000
Industrial Fire Fighting portable Pumps	<b>CRR</b>	800 000	920 000	800 000	920 000	100 000	115 000
Resuscitation equipment	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
New skid units	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
New Breathing Apparatus	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
Compressors	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
Gas detection equipment	<b>CRR</b>	200 000	230 000	100 000	115 000	100 000	115 000
Flir/Thermal Imaging Camera	<b>CRR</b>	150 000	172 500	200 000	230 000	100 000	115 000
Planning for Training Academy	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
Acquisition of Fire fleet	<b>CRR</b>	9 201 093	10 581 256	16 737 171	19 247 746	16 606 770	19 097 785
Acquisition of office furniture	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
Procurement of standby Generators	<b>CRR</b>	-	-	100 000	115 000	100 000	115 000
<b>Total Disaster and Fire - Public Safety</b>		<b>19 101 093</b>	<b>21 966 256</b>	<b>27 937 171</b>	<b>32 127 746</b>	<b>24 006 770</b>	<b>27 607 785</b>



MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
<b>Traffic &amp; Licencing - Public Safety</b>							
Purchase of alcohol testing device /Machine/Equipment)	CRR	-	-	50 000	57 500	100 000	115 000
Upgrading of City traffic & licensing centre	CRR	3 000 000	3 450 000	1 000 000	1 150 000	1 000 000	1 150 000
Procurement of 2 x equipped mobile unit	CRR	-	-	50 000	57 500	100 000	115 000
Construction of Mankweng Traffic and Licensing Testing Centre	CRR	6 508 718	7 485 026	4 564 043	5 248 649	6 100 000	7 015 000
Upgrading of Traffic Logistics Offices	CRR	-	-	50 000	57 500	100 000	115 000
Procurement of Traffic Motor bikes	CRR	-	-	50 000	57 500	2 000 000	2 300 000
Procurement of Traffic Tow trucks	CRR	-	-	50 000	57 500	2 000 000	2 300 000
Procurement of Escort vehicles	CRR	-	-	50 000	57 500	2 400 000	2 760 000
Procurement of office furniture's (customers & employees)	CRR	-	-	50 000	57 500	100 000	115 000
Procurement of automatic number plate recognition	CRR	-	-	50 000	57 500	2 500 000	2 875 000
Procurement of E-summons ticketing handheld devices	CRR	-	-	50 000	57 500	100 000	115 000
Upgrading of Aganang Traffic & Licensing facility	CRR	-	-	50 000	57 500	3 580 000	4 117 000
Procurement of 2 x Mobile class	CRR	-	-	50 000	57 500	100 000	115 000
Upgrading of city traffic vehicle pound facility	CRR	-	-	50 000	57 500	100 000	115 000
Construction of parking shelters at Mankweng Traffic	CRR	-	-	50 000	57 500	100 000	115 000
Construction of Fire, Traffic & By-law Training academy	CRR	-	-	50 000	57 500	100 000	115 000
<b>Total Traffic &amp; Licencing - Public Safety</b>		<b>9 508 718</b>	<b>10 935 026</b>	<b>6 264 043</b>	<b>7 203 649</b>	<b>20 480 000</b>	<b>23 552 000</b>
<b>Environmental Management - Community Services</b>							
Construction of Ablution facilities at Tom Naude Park	CRR	-	-	300 000	345 000	-	-
Refurbishment of Game Reserve facilities	CRR	2 000 000	2 300 000	2 000 000	2 300 000	2 000 000	2 300 000
Upgrading of perimeter fence at Game Reserve	CRR	-	-	100 000	115 000	-	-
Upgrading of Environmental Education Centre	CRR	-	-	100 000	115 000	-	-
Upgrading of municipal nursery	CRR	-	-	50 000	57 500	-	-
Fencing of Municipal Parks	CRR	-	-	50 000	57 500	-	-
Fencing of Molepo Dam	CRR	-	-	50 000	57 500	-	-

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Purchase of land for New Mankweng Cemetery	CRR	3 500 000	4 025 000	500 000	575 000	3 000 000	3 450 000
Development of Heroes Acre in Silicon Cemetery	CRR	-	-	100 000	115 000	-	-
Purchase of Watering Tanks for Street Trees	CRR	-	-	50 000	57 500	-	-
Paving of internal Street at Silicon Cemetery	CRR	-	-	50 000	57 500	-	-
Grass cutting equipment's	CRR	3 000 000	3 450 000	3 000 000	3 450 000	4 000 000	4 600 000
Upgrading of Mankweng Unit C Park	CRR	5 000 000	5 750 000	2 000 000	2 300 000	3 500 000	4 025 000
Upgrading of Mankweng Unit A Park	CRR	-	-	86 647	99 644	-	-
Upgrading of Ga-Kgoroshi wetland and Nature reserve	CRR	-	-	50 000	57 500	-	-
Water Tankers Trucks for Tree watering	CRR	-	-	50 000	57 500	-	-
Upgrading of Ext76 park (SDA1)	CRR	1 739 130	2 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Greening programme	IUDG	2 608 696	3 000 000	3 478 261	4 000 000	4 347 826	5 000 000
Greening Programme for Disteneng	IUDG	703 214	808 696	756 143	869 565	1 739 130	2 000 000
Development of a regional parks In Rural Areas	IUDG	1 019 150	1 172 023	2 268 431	2 608 696	8 695 652	10 000 000
Construction of Ablution Facilities at Mankweng Parks	IUDG	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
Upgrading of Tom Naude Park	IUDG	2 173 913	2 500 000	6 086 957	7 000 000	12 060 000	13 869 000
<b>Total Environmental Management - Community Services</b>		<b>22 613 669</b>	<b>26 005 719</b>	<b>23 735 135</b>	<b>27 295 405</b>	<b>41 951 304</b>	<b>48 244 000</b>
<b>Control Centre Services/Safety and Security -Public Safety</b>							
Installation of CCTV cameras & Fibre Network	CRR	1 000 000	1 150 000	749 610	862 052	1 000 000	1 150 000
Provision two way radios	CRR	-	-	-	-	100 000	115 000
Provision of Access Control Systems and equipment	CRR	-	-	-	-	500 000	575 000
Supply of National flags	CRR	-	-	-	-	100 000	115 000
Supply and installation of prohibited signs	CRR	-	-	-	-	100 000	115 000
Supply and delivery of mobile guard houses	CRR	460 888	530 021	-	-	500 000	575 000
Purchase of Firearms	CRR	-	-	-	-	500 000	575 000
CCTV and Access control maintenance tool Kit	CRR	-	-	-	-	110 000	126 500
Fiber splicing equipment	CRR	50 000	57 500	50 000	57 500	860 000	989 000

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Standby Generator	CRR	-	-	50 000	57 500	100 000	115 000
Purchase of Mobile Control Centre Vehicle	CRR	-	-	50 000	57 500	100 000	115 000
Purchase of patrol vehicles	CRR	-	-	50 000	57 500	100 000	115 000
Purchase of Office Furniture	CRR	-	-	50 000	57 500	100 000	115 000
Purchase of a Safe	CRR	-	-	50 000	57 500	90 000	103 500
Purchase of Drill Brass Band Equipment	CRR	-	-	50 000	57 500	100 000	115 000
<b>Total Control Centre/Safety and Security - Public Safety</b>		<b>1 510 888</b>	<b>1 737 521</b>	<b>1 099 610</b>	<b>1 264 552</b>	<b>4 360 000</b>	<b>5 014 000</b>
<b>Waste Management - Community Services</b>							
240 litre bins	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 000 000	1 150 000
6 & 9 M3 Skip containers	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 000 000	1 150 000
Procurement of Concrete Street Bins	CRR	1 000 000	1 150 000	1 500 000	1 725 000	1 400 000	1 610 000
Purchase of street pavement bins	CRR	-	-	200 000	230 000	100 000	115 000
Gates and parameter fence at Ladanna depot	CRR	-	-	200 000	230 000	100 000	115 000
Construction of ramp at Dikgale transfer station	CRR	718 758	826 572	100 000	115 000	100 000	115 000
Purchase Of TLBs Front-End Loaders for Waste Management	CRR	3 000 000	3 450 000	1 946 061	2 237 970	2 000 000	2 300 000
Extension of landfill site(Weltevreden)	IUDG	3 043 478	3 500 000	10 434 783	12 000 000	26 086 957	30 000 000
Seshego transfer station	IUDG	4 347 826	5 000 000	869 565	1 000 000	1 739 130	2 000 000
Westernburg Transfer Station	IUDG	5 217 391	6 000 000	1 739 130	2 000 000	1 626 304	1 870 250
Molepo Transfer Station	IUDG	2 608 696	3 000 000	5 217 391	6 000 000	2 608 696	3 000 000
Ga- Maja transfer station(Planning)	IUDG	1 277 484	1 469 107	6 086 957	7 000 000	-	-
Ga- Chuene transfer station(Planning)	IUDG	1 228 076	1 412 287	6 086 957	7 000 000	-	-
<b>Total Waste Management - Community Services</b>		<b>24 441 709</b>	<b>28 107 966</b>	<b>36 380 844</b>	<b>41 837 970</b>	<b>37 761 087</b>	<b>43 425 250</b>
<b>Sport &amp; Recreation - Community Services</b>							
Grass Cutting equipment's	CRR	900 000	1 035 000	1 000 000	1 150 000	-	-
Upgrading of Seshego Stadium	CRR	5 000 000	5 750 000	2 000 000	2 300 000	3 000 000	3 450 000
Installation of Solar System at the New Peter Mokaba Stadium	CRR	-	-	-	-	100 000	115 000

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Procurement of Conference Tables and Chairs for (Peter Mokaba Stadium Executive lounge (1st floor )	CRR	-	-	-	-	100 000	115 000
Establishment of artificial grass surfaces in stadiums (Old Peter Mokaba Stadium B &C fields, Seshego stadium ground B, Nirvana soccer stadium)	CRR	-	-	-	-	100 000	115 000
Construction of clear view fencing around the playing areas – (Nirvana stadium, Seshego stadium, Noordelike Soccer , Rugby fields and Ga- Manamela stadium)	CRR	-	-	-	-	100 000	115 000
Nirvana stadium outside field and ablution facilities	CRR	-	-	-	-	100 000	115 000
Procurement of fields maintenance equipment's	CRR	700 000	805 000	500 000	575 000	500 000	575 000
Procurement of Sports Fields Poles and Nets	CRR	-	-	-	-	100 000	115 000
Refurbishment of Nirvana Soccer Grounds and Cricket Grounds	CRR	-	-	-	-	100 000	115 000
Refurbishment of the City Swimming Pool	CRR	1 354 922	1 558 160	1 500 000	1 725 000	1 500 000	1 725 000
Refurbishment of the Nirvana Swimming Pool	CRR	500 000	575 000	1 500 000	1 725 000	1 500 000	1 725 000
Refurbishment of the Westernburg Swimming Pool	CRR	-	-	849 701	977 156	2 000 000	2 300 000
Refurbishment of the Seshego Swimming Pool	CRR	-	-	-	-	1 012 365	1 164 220
Upgrading of Show ground facility	CRR	-	-	-	-	300 000	345 000
Construction of Sebayeng / Dikgale Sport Complex	IUDG	5 672 945	6 523 887	4 347 826	5 000 000	3 391 304	3 900 000
EXT 44/78 Sports and Recreation Facility	IUDG	6 086 957	7 000 000	-	-	-	-
Construction of Softball stadium in City Cluster	IUDG	20 000 000	23 000 000	28 313 356	32 560 359	21 739 130	25 000 000
Construction of Ablution Facilities at Mna	IUDG	869 565	1 000 000	-	-	-	-
Construction of Mankweng Sports Complex	IUDG	8 695 652	10 000 000	13 043 478	15 000 000	8 695 652	10 000 000
Construction of Molepo Sports Complex	IUDG	1 739 130	2 000 000	1 512 287	1 739 130	2 608 696	3 000 000
Construction of Laastehoop Sports Complex	IUDG	-	-	-	-	2 608 696	3 000 000
<b>Total Sport &amp; Recreation - Community Services</b>		<b>51 519 172</b>	<b>59 247 047</b>	<b>54 566 648</b>	<b>62 751 645</b>	<b>49 555 843</b>	<b>56 989 220</b>

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
<b>Cultural Services - Community Services</b>							
Collection development - Books	CRR	1 400 000	1 610 000	700 000	805 000	1 000 000	1 150 000
New exhibition Irish House	CRR	-	-	-	-	340 000	391 000
Purchase of Art works	CRR	136 997	157 547	-	-	-	-
Installation of Boardwalk at Bakone Malapa	CRR	50 000	57 500	-	-	-	-
Public Sculpture	CRR	-	-	-	-	500 000	575 000
Purchase of museum shelves	CRR	100 000	115 000	-	-	-	-
City Library Refurbishment	CRR	-	-	-	-	500 000	575 000
Construction of Library facility at Dikgale	CRR	-	-	-	-	800 000	920 000
Construction of Library facility for Aganang	CRR	-	-	-	-	800 000	920 000
<b>Total Cultural Services - Community Services</b>		<b>1 686 997</b>	<b>1 940 047</b>	<b>700 000</b>	<b>805 000</b>	<b>3 940 000</b>	<b>4 531 000</b>
<b>Information Services - Corporate and Shared Services</b>							
Procurement of Laptops, PCs and Peripheral Devices	CRR	1 406 018	1 616 921	1 597 031	1 836 586	1 813 412	2 085 424
Procurement of Laptops, PCs and Peripheral Devices - BTO	CRR	600 000	690 000	-	-	-	-
Implementation of ICT Strategy	CRR	958 252	1 101 990	898 515	1 033 292	1 200 000	1 380 000
Network Upgrade	CRR	1 407 840	1 619 016	1 794 062	2 063 171	2 183 284	2 510 777
<b>Total Information Services - Corporate and Shared Services</b>		<b>4 372 110</b>	<b>5 027 927</b>	<b>4 289 608</b>	<b>4 933 049</b>	<b>5 196 696</b>	<b>5 976 200</b>
<b>City Planning - Planning and Economic Development</b>							
Township Establishment for the Eco-estate at Game Reserve	CRR	2 184 744	2 512 456	1 411 371	1 623 077	800 000	920 000
Provision of short term engineering services for Bakone Malapa	IUDG	15 353 870	17 656 951	18 222 217	20 955 550	19 763 348	22 727 850
<b>Total City Planning - Planning and Economic Development</b>		<b>17 538 614</b>	<b>20 169 407</b>	<b>19 633 588</b>	<b>22 578 627</b>	<b>20 563 348</b>	<b>23 647 850</b>

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
<b>LED - Planning and Economic Development</b>							
Development of the Agro-processing/Logistics Hub or Special Economic Zone	<b>CRR</b>	-	-	933 572	1 073 608	456 956	525 499
<b>Total LED - Planning and Economic Development</b>		-	-	<b>933 572</b>	<b>1 073 608</b>	<b>456 956</b>	<b>525 499</b>
<b>Clusters - SPME</b>							
Mobile service sites at Rampheri village	<b>CRR</b>	-	-	-	-	200 000	230 000
Construction of Segopje Mobile Service Centre	<b>CRR</b>	1 196 554	1 376 037	1 280 952	1 473 094	360 000	414 000
Refurbishment of Cluster Offices	<b>CRR</b>	-	-	-	-	340 000	391 000
Construction of mobile service sites at Moletjie Cluster	<b>CRR</b>	-	-	-	-	140 000	161 000
<b>Clusters - SPME</b>		<b>1 196 554</b>	<b>1 376 037</b>	<b>1 280 952</b>	<b>1 473 094</b>	<b>1 040 000</b>	<b>1 196 000</b>
<b>Fleet Management - Corporate and Shared Services</b>							
Acquisition of Refuse Trucks	<b>CRR</b>	3 500 000	4 025 000	3 500 000	4 025 000	-	-
Purchase of Yellow Fleet Graders	<b>CRR</b>	15 600 000	17 940 000	4 000 000	4 600 000	4 400 000	5 060 000
Purchase of Water Tanker Trucks	<b>CRR</b>	-	-	-	-	-	-
Purchase of Municipal fleet (Sedans and Bakkies)	<b>CRR</b>	2 157 964	2 481 659	640 087	736 100	5 700 000	6 555 000
<b>Total Fleet Management - Corporate and Shared Services</b>		<b>21 257 964</b>	<b>24 446 659</b>	<b>8 140 087</b>	<b>9 361 100</b>	<b>10 100 000</b>	<b>11 615 000</b>
<b>Transport Operations(IPRTS)- Transport and Services</b>							
PT facilities Upgrade	<b>PTNG</b>	12 986 811	14 934 833	13 043 478	15 000 000	6 956 522	8 000 000
Upgrad & constr of Trunk route WP1	<b>PTNG</b>	10 527 092	12 106 156	25 682 784	29 535 202	34 162 557	39 286 940
Widening of Sandriver bridge (trunk)	<b>PTNG</b>	14 782 609	17 000 000	-	-	-	-
Refurbishment of daytime layover facility	<b>PTNG</b>	2 173 913	2 500 000	-	-	-	-
Construction of Bus station upper structure (general Joubert str)	<b>PTNG</b>	4 347 826	5 000 000	-	-	-	-
Upgrade of transit mall	<b>PTNG</b>	10 434 783	12 000 000	13 043 478	15 000 000	6 086 957	7 000 000
Ditlou intersection	<b>PTNG</b>	7 043 478	8 100 000	-	-	-	-



MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Construction & provision of Bus Depot Upper structure in Seshego	<b>PTNG</b>	17 304 348	19 900 000	9 451 304	10 869 000	18 260 870	21 000 000
Provision of Bus Stop Shelters	<b>PTNG</b>	6 956 522	8 000 000	302 457	347 826	2 608 696	3 000 000
Procurement of Leeto La Polokwane buses	<b>PTNG</b>	13 913 043	16 000 000	3 478 261	4 000 000	13 043 478	15 000 000
Walk in Centre	<b>PTNG</b>	1 739 130	2 000 000	2 173 913	2 500 000	2 608 696	3 000 000
Control Centre	<b>PTNG</b>	4 892 250	5 626 087	1 739 130	2 000 000	-	-
<b>Total Transport Operations(IPRTS)- Transport and Services Capital</b>		<b>107 101 805</b>	<b>123 167 076</b>	<b>68 914 807</b>	<b>79 252 028</b>	<b>83 727 774</b>	<b>96 286 940</b>
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>820 141 742</b>	<b>943 163 003</b>	<b>705 189 932</b>	<b>810 968 421</b>	<b>850 304 694</b>	<b>977 850 398</b>

<b>CAPITAL FUNDING</b>							
Intergrated Urban Development Grant	<b>IUDG</b>	241 613 850	277 855 927	238 461 159	274 230 333	260 327 261	299 376 350
Public Transport Network Grant	<b>PTNG</b>	144 493 110	166 167 076	94 566 981	108 752 028	110 684 296	127 286 940
Neighbourhood Development Grant	<b>NDPG</b>	39 116 521	44 984 000	28 104 348	32 320 000	36 956 522	42 500 000
Water Services Infrastructure Grant	<b>WSIG</b>	66 086 957	76 000 000	56 521 739	65 000 000	60 888 696	70 022 000
Regional Bulk Infrastructure Grant	<b>RBIG</b>	109 576 522	126 013 000	135 225 217	155 509 000	222 181 739	255 509 000
Integrated National Electrification Programme Grant	<b>INEP</b>	10 933 043	12 573 000	3 478 261	4 000 000	4 347 826	5 000 000
Municipal Disaster Recovery Grant	<b>MDRG</b>	4 143 478	4 765 000	4 143 478	4 765 000	-	-
<b>Total DoRA Allocations</b>		<b>615 963 481</b>	<b>708 358 003</b>	<b>560 501 183</b>	<b>644 576 361</b>	<b>695 386 339</b>	<b>799 694 290</b>
Capital Replacement Reserve	<b>CRR</b>	204 178 261	234 805 000	144 688 748	166 392 060	154 918 355	178 156 108
<b>TOTAL FUNDING</b>		<b>820 141 742</b>	<b>943 163 003</b>	<b>705 189 932</b>	<b>810 968 421</b>	<b>850 304 694</b>	<b>977 850 398</b>

MULTI YEAR CAPITAL BUDGET		Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
	Funding Source	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
<b>MULTI YEAR BUDGET</b>		Budget Year 2024/23		Budget Year +1 2025/26		Budget Year +2 2026/27	
<b>Description</b>		<b>VAT EXCLUSIVE</b>	<b>VAT INCLUSIVE</b>	<b>VAT EXCLUSIVE</b>	<b>VAT INCLUSIVE</b>	<b>VAT EXCLUSIVE</b>	<b>VAT INCLUSIVE</b>
Vote 1 - CHIEF OPERATIONS OFFICE		1 196 554	1 376 037	1 280 952	1 473 094	1 040 000	1 196 000
Vote 2 -MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-
Vote 3 - WATER AND SANITATION		306 180 922	352 108 060	294 008 259	338 109 497	394 333 909	453 483 995
Vote 4 - ENERGY SERVICES		55 155 364	63 428 668	47 287 601	54 380 741	31 607 826	36 349 000
Vote 5 - COMMUNITY SERVICES		100 261 547	115 300 779	115 382 626	132 690 020	133 208 235	153 189 470
Vote 6 - PUBLIC SAFETY		30 120 699	34 638 803	35 300 824	40 595 947	48 846 770	56 173 785
Vote 7 - CORPORATE AND SHARED SERVICES		32 260 968	37 100 113	17 890 999	20 574 649	24 276 399	27 917 859
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT		17 538 614	20 169 407	20 567 160	23 652 234	21 020 304	24 173 349
Vote 9 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-
Vote 10 - TRANSPORT SERVICES		107 101 805	123 167 076	68 914 807	79 252 028	83 727 774	96 286 940
Vote 11 - HUMAN SETTLEMENTS		-	-	-	-	-	-
Vote 12 - ROADS AND STORM WATER		170 325 269	195 874 060	104 556 704	120 240 210	112 243 478	129 080 000
<b>TOTA CAPITAL BUDGET</b>		<b>820 141 742</b>	<b>943 163 003</b>	<b>705 189 932</b>	<b>810 968 421</b>	<b>850 304 694</b>	<b>977 850 398</b>

MULTI YEAR BUDGET INTERGRATED URBAN DEVELOPMENT GRANT (IUDG)	Capital / RAL	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
Description				
<b>Roads &amp; Stormwater</b>				
Paving of Arterial road from R37 via Thokgwaneng RDP to Silo school (Phase 2) Ward 1	RAL	-	1 517 391	4 000 000
Tarring of Road from Tshebela to Moshate	RAL	4 524 575	3 742 684	6 000 000
Upgrading of access Roads from Ga Thaba in Molepo, Chuene, Maja cluster	RAL	2 024 575	2 192 816	4 500 000
Upgrading of road from Mohlonong to Kalkspruit	RAL	2 524 575	3 478 261	2 000 000
Upgrading of road from Monyoaneng to Lonsdale	RAL	4 024 575	3 478 261	-
Upgrading of access road in Ga Makgoba	RAL	3 061 437	-	-
Upgrading of road from Nobody Traffic circle to Moshate Mothapo	RAL	3 024 575	3 083 176	3 000 000
Upgrading of road from Phomolong to Makgwareng	RAL	2 500 000	3 083 176	2 500 000
Upgrading of road from Spitzkop to Segwasi	RAL	5 073 724	3 583 176	4 000 000
Upgrading of road from Titibe to Marobala and Makgoba	RAL	3 000 000	3 083 176	4 000 000
Upgrading of Boshega to Tshebela to Boyne Road	RAL	-	-	-
Upgrading of road from Matobole to Silicon	RAL	4 024 575	4 083 176	4 000 000
Upgrading of road from Maja Moshate to Feke	RAL	3 043 478	2 083 176	2 000 000
Paving of road from Sengatane (D3330) to Chebeng (ward 09)	RAL	2 722 118	3 561 437	3 500 000
Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	RAL	3 024 575	2 083 176	3 000 000
Paving of road in ga Thoka from reservoir to Makanye 4034(ward 27)	RAL	2 310 019	2 344 046	3 000 000
Upgrading of Bus road from R71 to Dinokeng between Mshongoville Gashiloane to Matshela pata(ward 28)	RAL	1 000 000	1 561 437	3 000 000
Paving of Sekoala primary school road to mehlakong (ward 29)	RAL	2 549 149	3 083 176	3 000 000
Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	RAL	3 293 006	3 965 785	2 500 000
Upgrading of arterial road D3997 from GaMokgopo to Ga Makalanyane (ward 33)	RAL	949 500	1 583 176	3 000 000
Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	RAL	3 524 575	-	-
Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)	RAL	2 049 149	2 083 176	-
Paving of Internal Street in Ga Ujane to D3363 (ward 40)	RAL	4 110 586	-	-
Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	RAL	4 293 006	3 083 176	-
Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	RAL	3 024 575	2 083 176	-
Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	RAL	3 024 575	3 683 176	-

MULTI YEAR BUDGET INTERGRATED URBAN DEVELOPMENT GRANT (IUDG)	Capital / RAL	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
Description				
Upgrading of arterial road from Kordon to Gilead road (ward 44)	RAL	-	2 083 176	-
Upgrading of arterial road from Moetagare in to Setumong D3382	RAL	3 524 575	3 083 176	2 000 000
Upgrading of arterial road from Ditshweneng to Maja Moshate	RAL	2 739 287	2 824 259	1 997 100
Upgrading of road D3989 Ga-Mamabolo to Itireleng	RAL	-	1 500 000	3 000 000
Upgrading of D1809 from GaMaboi joining D3040 to Laastehoop	RAL	-	500 000	3 000 000
Upgrading of arterial road from Phuti to Tjatjaneng	RAL	-	1 500 000	3 000 000
Upgrading of road from Leokama to Moshung	RAL	-	1 500 000	3 000 000
Upgrading of arterial road D3413 Ramakgaphola to Gilead road D3390	RAL	-	1 500 000	3 000 000
Upgrading of arterial road D3472 Ga-Setati to Mashobohlang D3332	RAL	-	1 500 000	3 000 000
GaThlathlanganya Roads	RAL	-	1 500 000	3 000 000
Completion of the links to SANRAL roads network	RAL	1 050 500	2 000 000	5 000 000
Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 42)	RAL	1 000 000	-	-
<b>Total Roads &amp; Stormwater</b>		<b>81 015 284</b>	<b>82 014 017</b>	<b>86 997 100</b>

# Annexure B: A SCHEDULE

# Municipal annual budgets and MTREF & supporting tables

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Contact details:**

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



## Preparation Instructions

Municipality Name: LIM354 Polokwane

CFO Name: Thabo Nonyane

Tel: 015 290 2049

Fax:

E-Mail: thabon@polokwane.gov.za

Budget for MTREF starting: 2024

Budget Year: 2024/25

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

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

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

10.10		10.10 -
<b>Vote 11</b>	<b>Human Settlement</b>	
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 -
<b>Vote 12</b>		
12.1		12.1 -
12.2		12.2 -
12.3		12.3 -
12.4		12.4 -
12.5		12.5 -
12.6		12.6 -
12.7		12.7 -
12.8		12.8 -
12.9		12.9 -
12.10		12.10 -
<b>Vote 13</b>		
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 -
<b>Vote 14</b>		
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 -
<b>Vote 15</b>		
15.1		15.1 -
15.2		15.2 -
15.3		15.3 -
15.4		15.4 -
15.5		15.5 -
15.6		15.6 -
15.7		15.7 -
15.8		15.8 -
15.9		15.9 -
15.10		15.10 -

**LIM354 Polokwane - Contact Information**

**A. GENERAL INFORMATION**

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

<sup>1</sup> [Grade in terms of the Remuneration of Public Office Bearers Act.](#)

**B. CONTACT INFORMATION**

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

**C. POLITICAL LEADERSHIP**

<b>Speaker:</b>		<b>Secretary/PA to the Speaker:</b>	
ID Number		ID Number	
Title	Ms	Title	Mr
Name	Kobela Welhemina Modiba	Name	Enos Mogashoa
Telephone number	152902054	Telephone number	152902245
Cell number	723675316	Cell number	815291238
Fax number		Fax number	
E-mail address	wilhemina@polokwane.gov.za	E-mail address	enosm@polokwane.gov.za
<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title	Mr	Title	Mr
Name	Mosema John Mpe	Name	Billy Pillay
Telephone number	152902103	Telephone number	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
<b>Deputy Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>D. MANAGEMENT LEADERSHIP</b>			
<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>	
ID Number		ID Number	
Title	Ms	Title	Ms

Name	Thuso Nemugumoni	Name	Felicity F. Louw
Telephone number	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
<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Thabo Nonyane( Acting CFO)	Name	Helen 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
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Ms	Title	Mr
Name	Zinzi A Mphahlele	Name	Victor Nengovhela (IDP Manager)
Telephone number	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
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	Moleboheng Mathebula	Name	Naazneen Hurzuk
Telephone number	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
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Mr	Title	
Name	Thabo Nonyane	Name	
Telephone number	152902049	Telephone number	
Cell number	658375872	Cell number	
Fax number		Fax number	
E-mail address	thabon@polokwane.gov.za	E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

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



LIM354 Polokwane - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	+1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	468 974	528 049	573 341	622 442	622 442	622 442	622 442	641 116	666 760	700 098
Service charges	1 582 689	1 815 198	1 742 845	2 460 396	2 460 396	2 460 396	2 460 396	2 673 163	2 984 698	3 337 576
Investment revenue	12 333	9 641	38 815	20 940	40 940	40 940	40 940	42 987	45 136	47 845
Transfer and subsidies - Operational	1 386 384	1 215 946	1 403 549	1 575 705	1 546 089	1 546 089	1 546 089	1 666 130	1 744 744	1 802 510
Other own revenue	206 001	461 320	411 426	265 819	265 825	265 825	265 825	279 116	293 071	310 656
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 656 382</b>	<b>4 030 154</b>	<b>4 169 977</b>	<b>4 945 302</b>	<b>4 935 692</b>	<b>4 935 692</b>	<b>4 935 692</b>	<b>5 302 511</b>	<b>5 734 409</b>	<b>6 198 684</b>
Employee costs	973 200	1 026 750	1 072 016	1 258 954	1 153 655	1 153 655	1 153 655	1 341 147	1 406 049	1 495 599
Remuneration of councillors	38 692	39 349	41 384	43 514	44 896	44 896	44 896	47 455	50 113	52 869
Depreciation and amortisation	892 255	780 704	754 315	272 220	272 220	272 220	272 220	386 920	453 359	497 571
Interest	61 770	59 737	57 837	44 535	40 535	40 535	40 535	42 724	44 903	47 148
Inventory consumed and bulk purchases	1 062 009	1 132 232	1 082 468	1 498 613	1 468 228	1 468 228	1 468 228	1 632 179	1 836 363	2 046 030
Transfers and subsidies	127 711	45 240	9 671	11 622	16 022	16 022	16 022	10 480	10 480	10 480
Other expenditure	1 159 674	1 914 296	2 089 296	1 420 575	1 587 792	1 587 792	1 587 792	1 679 308	1 767 817	1 857 277
<b>Total Expenditure</b>	<b>4 315 312</b>	<b>4 998 309</b>	<b>5 106 987</b>	<b>4 550 034</b>	<b>4 583 348</b>	<b>4 583 348</b>	<b>4 583 348</b>	<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>
<b>Surplus/(Deficit)</b>	<b>(658 930)</b>	<b>(968 155)</b>	<b>(937 010)</b>	<b>395 269</b>	<b>352 344</b>	<b>352 344</b>	<b>352 344</b>	<b>162 298</b>	<b>165 326</b>	<b>191 711</b>
Transfers and subsidies - capital (monetary allocations)	764 993	655 398	612 013	705 105	765 678	765 678	765 678	708 358	644 576	799 694
Transfers and subsidies - capital (in-kind)	-	-	576	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>839 879</b>	<b>685 491</b>	<b>640 044</b>	<b>797 239</b>	<b>941 117</b>	<b>941 117</b>	<b>941 117</b>	<b>820 142</b>	<b>705 190</b>	<b>850 305</b>
Transfers recognised - capital	693 246	519 741	532 185	613 134	665 807	665 807	665 807	615 963	560 501	695 386
Borrowing	(885)	-	-	-	-	-	-	-	-	-
Internally generated funds	142 815	165 299	103 833	184 104	275 310	275 310	275 310	204 178	144 689	154 918
<b>Total sources of capital funds</b>	<b>835 177</b>	<b>685 040</b>	<b>636 018</b>	<b>797 239</b>	<b>941 117</b>	<b>941 117</b>	<b>941 117</b>	<b>820 142</b>	<b>705 190</b>	<b>850 305</b>
<b>Financial position</b>										
Investments	-	-	-	-	-	-	-	-	-	-
<b>LIABILITIES</b>										
Financial liabilities	417 702	387 346	352 265	387 498	352 265	352 265	352 265	319 910	288 832	254 306
<b>NET ASSETS</b>	<b>13 713 267</b>	<b>13 078 509</b>	<b>15 513 163</b>	<b>13 967 388</b>	<b>16 628 741</b>	<b>16 628 741</b>	<b>16 628 741</b>	<b>16 860 778</b>	<b>17 969 489</b>	<b>19 318 940</b>
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating	3 973 179	1 961 900	3 213 877	959 258	1 126 134	1 126 134	1 126 134	713 347	664 545	824 990
Net cash from (used) investing	(733 869)	(831 647)	(743 539)	(870 983)	(1 032 465)	(1 032 465)	(1 032 465)	(666 294)	(571 811)	(695 456)
Net cash from (used) financing	(25 973)	1 063	15 338	(25 088)	(25 088)	(25 088)	(25 088)	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>3 213 337</b>	<b>1 432 470</b>	<b>2 718 346</b>	<b>295 857</b>	<b>252 951</b>	<b>252 951</b>	<b>252 951</b>	<b>231 425</b>	<b>324 159</b>	<b>453 692</b>
<b>Cash backing/surplus reconciliation</b>										
Non current Investments	80 525	155 781	25 714	155 781	25 772	25 772	25 772	25 772	25 772	25 772
Statutory requirements	(413 414)	(788 947)	(459 218)	(828 281)	(463 200)	(463 200)	(463 200)	(395 674)	(232 843)	(103 564)
<b>Balance - surplus (shortfall)</b>	<b>493 939</b>	<b>944 729</b>	<b>484 933</b>	<b>984 062</b>	<b>488 972</b>	<b>488 972</b>	<b>488 972</b>	<b>421 446</b>	<b>258 615</b>	<b>129 336</b>
<b>Asset management</b>										
Asset register summary (WDV)	12 300 769	11 576 585	13 424 533	11 699 402	13 246 122	13 246 122		13 154 561	12 777 372	12 460 238
Depreciation	887 679	762 176	723 166	272 220	272 220	272 220		386 920	453 359	497 571
Renewal and Upgrading of Existing Assets	549 817	(203 579)	139 072	(103 107)	(70 079)	(70 079)		69 091	204 635	97 811
Repairs and Maintenance	597 207	883 598	743 402	692 066	742 446	742 446		788 841	848 910	891 953
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	99 186	63 339	7 857	271 742	271 746	271 746		281 705	303 552	329 095
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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

Functional Classification Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>	1									
<b>Governance and administration</b>		2 693 525	2 537 275	2 849 469	2 976 908	3 030 939	3 030 939	2 162 882	2 266 639	2 374 214
Executive and council		-	-	974	2	2	2	2	2	3
Finance and administration		2 693 525	2 537 275	2 848 495	2 976 906	3 030 937	3 030 937	2 162 879	2 266 636	2 374 211
Internal audit		-	-	-	1	1	1	1	1	1
<b>Community and public safety</b>		15 435	28 574	26 736	6 434	3 231	3 231	58 796	63 195	54 330
Community and social services		7 465	1 969	1 959	2 274	2 257	2 257	3 170	2 488	2 638
Sport and recreation		5 724	24 525	14 252	3 633	3 001	3 001	52 284	57 198	47 972
Public safety		1 124	1 004	221	259	126	126	133	139	148
Housing		1 122	1 076	10 303	266	(2 155)	(2 155)	3 208	3 368	3 571
Health		-	-	-	2	2	2	2	2	2
<b>Economic and environmental services</b>		121 420	268 515	134 461	114 859	114 173	114 173	672 568	553 015	589 966
Planning and development		62 595	211 487	53 088	29 092	30 226	30 226	71 606	72 836	78 227
Road transport		58 825	56 728	83 112	84 046	83 526	83 526	591 039	464 026	479 156
Environmental protection		0	300	(1 739)	1 722	422	422	9 923	16 153	32 582
<b>Trading services</b>		1 590 994	1 851 188	1 771 839	2 552 205	2 553 027	2 553 027	3 116 623	3 496 136	3 979 869
Energy sources		1 051 644	1 229 864	1 189 248	1 871 880	1 872 701	1 872 701	2 052 223	2 306 989	2 607 381
Water management		240 659	288 404	264 634	373 505	373 505	373 505	669 462	657 334	718 327
Waste water management		162 380	163 147	156 210	156 249	156 249	156 249	214 039	329 320	439 749
Waste management		136 312	169 773	161 746	150 572	150 572	150 572	180 898	202 493	214 413
<b>Other</b>	4	-	-	62	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	4 421 375	4 685 552	4 782 566	5 650 407	5 701 370	5 701 370	6 010 869	6 378 986	6 998 379
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		1 151 102	1 387 522	1 434 083	1 123 339	1 251 334	1 251 334	1 319 843	1 403 769	1 493 440
Executive and council		292 964	344 003	442 923	147 320	258 071	258 071	163 210	171 604	180 639
Finance and administration		847 739	1 032 264	979 511	959 786	976 218	976 218	1 138 076	1 212 594	1 292 178
Internal audit		10 399	11 255	11 649	16 232	17 045	17 045	18 556	19 571	20 622
<b>Community and public safety</b>		440 120	414 437	407 820	367 274	387 259	387 259	435 919	493 245	511 208
Community and social services		67 074	66 744	64 668	86 966	86 694	86 694	83 620	88 434	93 215
Sport and recreation		247 608	237 591	250 769	178 202	195 179	195 179	245 824	294 822	300 623
Public safety		74 304	87 477	68 894	71 881	75 734	75 734	71 139	72 694	78 048
Housing		43 150	14 733	15 457	22 207	21 578	21 578	26 789	28 273	29 812
Health		7 985	7 892	8 032	8 017	8 073	8 073	8 548	9 020	9 510
<b>Economic and environmental services</b>		837 663	1 240 256	1 357 389	682 861	666 057	666 057	828 335	851 861	910 399
Planning and development		132 475	472 491	119 198	117 863	114 868	114 868	137 421	138 467	146 478
Road transport		680 753	739 184	1 212 795	533 117	522 477	522 477	659 679	680 786	729 580
Environmental protection		24 436	28 580	25 396	31 881	28 711	28 711	31 234	32 608	34 341
<b>Trading services</b>		1 886 426	1 956 095	1 907 696	2 376 560	2 278 698	2 278 698	2 556 116	2 820 209	3 091 926
Energy sources		985 845	1 101 135	1 074 875	1 544 811	1 459 784	1 459 784	1 651 138	1 847 504	2 062 062
Water management		666 605	652 712	591 057	612 879	596 975	596 975	603 102	635 973	674 392
Waste water management		87 201	50 607	90 652	75 475	64 119	64 119	123 180	147 025	155 941
Waste management		146 775	151 641	151 112	143 395	157 820	157 820	178 696	189 707	199 531
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	4 315 312	4 998 309	5 106 987	4 550 034	4 583 348	4 583 348	5 140 213	5 569 083	6 006 974
<b>Surplus/(Deficit) for the year</b>		106 063	(312 757)	(324 421)	1 100 373	1 118 022	1 118 022	870 656	809 902	991 405

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 Abattoirs, 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	###	2020/21	2021/22	2022/23
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome
<b>Revenue - Functional</b>				
<b>Municipal governance and administration</b>		<b>2 693 525</b>	<b>2 537 275</b>	<b>2 849 469</b>
Executive and council		-	-	974
<i>Mayor and Council</i>		-	-	576
<i>Municipal Manager, Town Secretary and Chief Executive</i>		-	-	398
Finance and administration		2 693 525	2 537 275	2 848 495
<i>Administrative and Corporate Support</i>		0	-	(0)
<i>Asset Management</i>		-	5 555	6 207
<i>Finance</i>		2 452 094	2 199 102	2 491 307
<i>Fleet Management</i>		-	-	-
<i>Human Resources</i>		-	40 731	39 390
<i>Information Technology</i>		0	294	10
<i>Legal Services</i>		-	-	-
<i>Marketing, Customer Relations, Publicity and Media Co-ordination</i>		-	-	-
<i>Property Services</i>		627	1 477	5 877
<i>Risk Management</i>		-	-	-
<i>Security Services</i>		133	88	266
<i>Supply Chain Management</i>		1	847	(0)
<i>Valuation Service</i>		240 671	289 179	305 440
Internal audit		-	-	-
<i>Governance Function</i>		-	-	-
<b>Community and public safety</b>		<b>15 435</b>	<b>28 574</b>	<b>26 736</b>
Community and social services		7 465	1 969	1 959
<i>Aged Care</i>		-	-	-
<i>Agricultural</i>		-	-	-
<i>Animal Care and Diseases</i>		-	-	-
<i>Cemeteries, Funeral Parlours and Crematoriums</i>		1 653	1 473	1 205
<i>Child Care Facilities</i>		-	-	-
<i>Community Halls and Facilities</i>		169	409	539
<i>Consumer Protection</i>		-	-	-
<i>Cultural Matters</i>		5 634	-	-
<i>Disaster Management</i>		-	-	-
<i>Education</i>		-	-	-
<i>Indigenous and Customary Law</i>		-	-	-
<i>Industrial Promotion</i>		-	-	-
<i>Language Policy</i>		-	-	-
<i>Libraries and Archives</i>		(2)	47	81
<i>Literacy Programmes</i>		-	-	-
<i>Media Services</i>		-	-	-
<i>Museums and Art Galleries</i>		10	40	134
<i>Population Development</i>		-	-	-
<i>Provincial Cultural Matters</i>		-	-	-
<i>Theatres</i>		-	-	-
<i>Zoo's</i>		-	-	-
Sport and recreation		5 724	24 525	14 252
<i>Beaches and Jetties</i>		-	-	-
<i>Casinos, Racing, Gambling, Wagering</i>		-	-	-
<i>Community Parks (including Nurseries)</i>		2 961	16 128	11 801
<i>Recreational Facilities</i>		2 401	7 982	1 958
<i>Sports Grounds and Stadiums</i>		362	415	493
Public safety		1 124	1 004	221
<i>Civil Defence</i>		-	-	0
<i>Cleansing</i>		-	-	-
<i>Control of Public Nuisances</i>		-	-	-
<i>Fencing and Fences</i>		-	-	-
<i>Fire Fighting and Protection</i>		1 124	1 004	221

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

Functional Classification Description	###	2020/21	2021/22	2022/23
		Audited Outcome	Audited Outcome	Audited Outcome
R thousand	1			
<i>Licensing and Control of Animals</i>		-	-	-
<i>Police Forces, Traffic and Street Parking Control</i>		-	-	-
<i>Pounds</i>		-	-	-
Housing		1 122	1 076	10 303
<i>Housing</i>		1 122	1 076	10 303
<i>Informal Settlements</i>		-	-	-
Health		-	-	-
<i>Ambulance</i>		-	-	-
<i>Health Services</i>		-	-	-
<i>Laboratory Services</i>		-	-	-
<i>Food Control</i>		-	-	-
<i>Health Surveillance and Prevention of Communicable Diseases</i>		-	-	-
<i>Vector Control</i>		-	-	-
<i>Chemical Safety</i>		-	-	-
<b>Economic and environmental services</b>		121 420	268 515	134 461
Planning and development		62 595	211 487	53 088
<i>Billboards</i>		-	-	-
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>		-	-	-
<i>Central City Improvement District</i>		-	-	-
<i>Development Facilitation</i>		-	-	-
<i>Economic Development/Planning</i>		111	23	43
<i>Regional Planning and Development</i>		2 328	7 829	4 294
<i>Town Planning, Building Regulations and Enforcement, and City Project Management Unit</i>		60 155	203 636	48 751
<i>Provincial Planning</i>		-	-	-
<i>Support to Local Municipalities</i>		-	-	-
Road transport		58 825	56 728	83 112
<i>Public Transport</i>		-	1 102	12 367
<i>Road and Traffic Regulation</i>		37 603	31 342	46 189
<i>Roads</i>		21 222	24 285	24 556
<i>Taxi Ranks</i>		-	-	-
Environmental protection		0	300	(1 739)
<i>Biodiversity and Landscape</i>		0	300	(1 739)
<i>Coastal Protection</i>		-	-	-
<i>Indigenous Forests</i>		-	-	-
<i>Nature Conservation</i>		-	-	-
<i>Pollution Control</i>		-	-	-
<i>Soil Conservation</i>		-	-	-
<b>Trading services</b>		1 590 994	1 851 188	1 771 839
Energy sources		1 051 644	1 229 864	1 189 248
<i>Electricity</i>		1 051 644	1 229 864	1 189 248
<i>Street Lighting and Signal Systems</i>		-	-	-
<i>Nonelectric Energy</i>		-	-	-
Water management		240 659	288 404	264 634
<i>Water Treatment</i>		-	-	-
<i>Water Distribution</i>		240 659	288 404	264 634
<i>Water Storage</i>		-	-	-
Waste water management		162 380	163 147	156 210
<i>Public Toilets</i>		-	-	-
<i>Sewerage</i>		162 380	163 147	156 210
<i>Storm Water Management</i>		-	-	-
<i>Waste Water Treatment</i>		-	-	-
Waste management		136 312	169 773	161 746
<i>Recycling</i>		-	-	-
<i>Solid Waste Disposal (Landfill Sites)</i>		-	-	-
<i>Solid Waste Removal</i>		136 312	169 773	161 746

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

Functional Classification Description	###	2020/21	2021/22	2022/23
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome
<i>Street Cleaning</i>		-	-	-
<b>Other</b>		-	-	62
Abattoirs		-	-	-
Air Transport		-	-	-
Forestry		-	-	-
Licensing and Regulation		-	-	62
Markets		-	-	-
Tourism		-	-	-
<b>Total Revenue - Functional</b>	2	<b>4 421 375</b>	<b>4 685 552</b>	<b>4 782 566</b>
<b>Expenditure - Functional</b>				
<b>Municipal governance and administration</b>		<b>1 151 102</b>	<b>1 387 522</b>	<b>1 434 083</b>
Executive and council		292 964	344 003	442 923
<i>Mayor and Council</i>		275 587	327 182	424 348
<i>Municipal Manager, Town Secretary and Chief Executive</i>		17 378	16 821	18 575
Finance and administration		847 739	1 032 264	979 511
<i>Administrative and Corporate Support</i>		7 750	9 729	7 722
<i>Asset Management</i>		56 145	61 269	71 945
<i>Finance</i>		299 967	332 164	296 547
<i>Fleet Management</i>		101 578	116 247	123 227
<i>Human Resources</i>		48 995	52 965	52 016
<i>Information Technology</i>		53 448	59 332	64 261
<i>Legal Services</i>		30 697	34 194	31 309
<i>Marketing, Customer Relations, Publicity and Media Co-ordination</i>		10 634	12 387	13 489
<i>Property Services</i>		85 632	87 471	73 780
<i>Risk Management</i>		7 619	7 103	7 038
<i>Security Services</i>		108 988	119 705	125 375
<i>Supply Chain Management</i>		36 287	139 696	112 801
<i>Valuation Service</i>		-	-	-
Internal audit		10 399	11 255	11 649
<i>Governance Function</i>		10 399	11 255	11 649
<b>Community and public safety</b>		<b>440 120</b>	<b>414 437</b>	<b>407 820</b>
Community and social services		67 074	66 744	64 668
<i>Aged Care</i>		-	-	-
<i>Agricultural</i>		-	-	-
<i>Animal Care and Diseases</i>		-	-	-
<i>Cemeteries, Funeral Parlours and Crematoriums</i>		10 570	11 005	6 514
<i>Child Care Facilities</i>		-	-	-
<i>Community Halls and Facilities</i>		12 551	12 267	12 968
<i>Consumer Protection</i>		-	-	-
<i>Cultural Matters</i>		3 434	3 686	5 179
<i>Disaster Management</i>		9 768	8 089	9 058
<i>Education</i>		-	-	-
<i>Indigenous and Customary Law</i>		-	-	-
<i>Industrial Promotion</i>		-	-	-
<i>Language Policy</i>		-	-	-
<i>Libraries and Archives</i>		21 637	21 724	21 208
<i>Literacy Programmes</i>		-	-	-
<i>Media Services</i>		-	-	-
<i>Museums and Art Galleries</i>		9 113	9 973	9 740
<i>Population Development</i>		-	-	-
<i>Provincial Cultural Matters</i>		-	-	-
<i>Theatres</i>		-	-	-
<i>Zoo's</i>		-	-	-
Sport and recreation		247 608	237 591	250 769
<i>Beaches and Jetties</i>		-	-	-
<i>Casinos, Racing, Gambling, Wagering</i>		-	-	-

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

Functional Classification Description	###	2020/21	2021/22	2022/23
		Audited Outcome	Audited Outcome	Audited Outcome
<b>R thousand</b>	<b>1</b>			
<i>Community Parks (including Nurseries)</i>		45 932	43 507	47 646
<i>Recreational Facilities</i>		201 676	194 084	203 123
<i>Sports Grounds and Stadiums</i>		-	-	-
<b>Public safety</b>		<b>74 304</b>	<b>87 477</b>	<b>68 894</b>
<i>Civil Defence</i>		-	-	-
<i>Cleansing</i>		-	-	-
<i>Control of Public Nuisances</i>		-	-	-
<i>Fencing and Fences</i>		-	-	-
<i>Fire Fighting and Protection</i>		74 304	87 477	68 894
<i>Licensing and Control of Animals</i>		-	-	-
<i>Police Forces, Traffic and Street Parking Control</i>		-	-	-
<i>Pounds</i>		-	-	-
<b>Housing</b>		<b>43 150</b>	<b>14 733</b>	<b>15 457</b>
<i>Housing</i>		43 150	14 733	15 457
<i>Informal Settlements</i>		-	-	-
<b>Health</b>		<b>7 985</b>	<b>7 892</b>	<b>8 032</b>
<i>Ambulance</i>		-	-	-
<i>Health Services</i>		7 985	7 892	8 032
<i>Laboratory Services</i>		-	-	-
<i>Food Control</i>		-	-	-
<i>Health Surveillance and Prevention of Communicable Diseases</i>		-	-	-
<i>Vector Control</i>		-	-	-
<i>Chemical Safety</i>		-	-	-



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

Functional Classification Description	###	2020/21	2021/22	2022/23
		Audited Outcome	Audited Outcome	Audited Outcome
<b>R thousand</b>	<b>1</b>			
<b>Economic and environmental services</b>		<b>837 663</b>	<b>1 240 256</b>	<b>1 357 389</b>
Planning and development		132 475	472 491	119 198
Billboards		-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)		27 604	27 723	24 673
Central City Improvement District		-	-	-
Development Facilitation		-	-	-
Economic Development/Planning		20 570	21 849	22 089
Regional Planning and Development		-	-	-
Town Planning, Building Regulations and Enforcement, and City Project Management Unit		49 550	390 385	52 058
Provincial Planning		34 752	32 535	20 378
Support to Local Municipalities		-	-	-
Road transport		680 753	739 184	1 212 795
Public Transport		94 835	99 695	115 869
Road and Traffic Regulation		116 830	118 812	122 056
Roads		469 088	520 677	974 869
Taxi Ranks		-	-	-
Environmental protection		24 436	28 580	25 396
Biodiversity and Landscape		24 436	28 580	25 396
Coastal Protection		-	-	-
Indigenous Forests		-	-	-
Nature Conservation		-	-	-
Pollution Control		-	-	-
Soil Conservation		-	-	-
<b>Trading services</b>		<b>1 886 426</b>	<b>1 956 095</b>	<b>1 907 696</b>
Energy sources		985 845	1 101 135	1 074 875
Electricity		985 845	1 101 135	1 074 875
Street Lighting and Signal Systems		-	-	-
Nonelectric Energy		-	-	-
Water management		666 605	652 712	591 057
Water Treatment		30 384	33 831	17 075
Water Distribution		636 222	618 881	573 981
Water Storage		-	-	-
Waste water management		87 201	50 607	90 652
Public Toilets		-	-	-
Sewerage		87 201	50 607	90 652
Storm Water Management		-	-	-
Waste Water Treatment		-	-	-
Waste management		146 775	151 641	151 112
Recycling		-	-	-
Solid Waste Disposal (Landfill Sites)		-	-	-
Solid Waste Removal		146 775	151 641	151 112
Street Cleaning		-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>
Abattoirs		-	-	-
Air Transport		-	-	-
Forestry		-	-	-
Licensing and Regulation		-	-	-
Markets		-	-	-
Tourism		-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>4 315 312</b>	<b>4 998 309</b>	<b>5 106 987</b>
<b>Surplus/(Deficit) for the year</b>		<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>

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Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
2 976 908	3 030 939	3 030 939	2 162 882	2 266 639	2 374 214
2	2	2	2	2	3
2	2	2	2	2	2
1	1	1	1	1	1
2 976 906	3 030 937	3 030 937	2 162 879	2 266 636	2 374 211
3	3	3	3	4	4
1	1	1	1	1	1
2 969 535	3 019 619	3 019 619	2 152 295	2 256 258	2 363 211
1	1	1	1	1	1
3 343	3 343	3 343	3 511	3 686	3 907
7	7	7	8	8	9
1	1	1	1	1	1
1	1	1	1	1	1
1	3 948	3 948	2 146	2 253	2 388
1	1	1	1	1	1
392	392	392	1 112	433	459
3 620	3 620	3 620	3 801	3 991	4 230
-	-	-	-	-	-
1	1	1	1	1	1
1	1	1	1	1	1
6 434	3 231	3 231	58 796	63 195	54 330
2 274	2 257	2 257	3 170	2 488	2 638
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1 841	1 548	1 548	1 625	1 706	1 809
-	-	-	-	-	-
1	301	301	316	332	351
-	-	-	-	-	-
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
318	293	293	308	323	343
-	-	-	-	-	-
-	-	-	-	-	-
113	114	114	919	125	133
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3 633	3 001	3 001	52 284	57 198	47 972
-	-	-	-	-	-
-	-	-	-	-	-
412	1 552	1 552	1 230	1 291	1 369
2 878	1 106	1 106	50 695	55 529	46 203
343	342	342	360	378	400
259	126	126	133	139	148
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
259	126	126	133	139	148

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Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
266	(2 155)	(2 155)	3 208	3 368	3 571
266	(2 155)	(2 155)	3 208	3 368	3 571
-	-	-	-	-	-
2	2	2	2	2	2
-	-	-	-	-	-
2	2	2	2	2	2
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
114 859	114 173	114 173	672 568	553 015	589 966
29 092	30 226	30 226	71 606	72 836	78 227
-	-	-	-	-	-
1	1	1	1	1	1
-	-	-	-	-	-
-	-	-	-	-	-
2 087	2 087	2 087	2 192	2 301	2 440
-	7 781	7 781	5 090	5 345	5 666
27 003	20 356	20 356	52 041	53 059	57 308
1	1	1	12 281	12 129	12 813
-	-	-	-	-	-
-	-	-	-	-	-
84 046	83 526	83 526	591 039	464 026	479 156
1 537	1 537	1 537	215 424	181 044	173 188
50 489	49 382	49 382	52 551	54 443	57 710
32 020	32 607	32 607	323 064	228 539	248 258
-	-	-	-	-	-
1 722	422	422	9 923	16 153	32 582
1 722	422	422	9 923	16 153	32 582
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2 552 205	2 553 027	2 553 027	3 116 623	3 496 136	3 979 869
1 871 880	1 872 701	1 872 701	2 052 223	2 306 989	2 607 381
1 871 880	1 872 701	1 872 701	2 052 223	2 306 989	2 607 381
-	-	-	-	-	-
-	-	-	-	-	-
373 505	373 505	373 505	669 462	657 334	718 327
1	1	1	1	1	1
373 505	373 505	373 505	669 462	657 333	718 326
-	-	-	-	-	-
156 249	156 249	156 249	214 039	329 320	439 749
-	-	-	-	-	-
156 249	156 249	156 249	214 039	329 320	439 749
-	-	-	-	-	-
-	-	-	-	-	-
150 572	150 572	150 572	180 898	202 493	214 413
-	-	-	-	-	-
-	-	-	-	-	-
150 572	150 572	150 572	180 898	202 493	214 413



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Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
48 635	49 127	49 127	64 810	68 362	72 040
129 566	146 052	146 052	181 014	226 461	228 583
-	-	-	-	-	-
<b>71 881</b>	<b>75 734</b>	<b>75 734</b>	<b>71 139</b>	<b>72 694</b>	<b>78 048</b>
1 462	1 324	1 324	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
70 418	74 410	74 410	71 139	72 694	78 048
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>22 207</b>	<b>21 578</b>	<b>21 578</b>	<b>26 789</b>	<b>28 273</b>	<b>29 812</b>
22 207	21 578	21 578	26 789	28 273	29 812
-	-	-	-	-	-
<b>8 017</b>	<b>8 073</b>	<b>8 073</b>	<b>8 548</b>	<b>9 020</b>	<b>9 510</b>
-	-	-	-	-	-
8 017	8 073	8 073	8 548	9 020	9 510
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
682 861	666 057	666 057	828 335	851 861	910 399
117 863	114 868	114 868	137 421	138 467	146 478
-	-	-	-	-	-
21 742	21 738	21 738	25 544	26 887	28 272
-	-	-	-	-	-
-	-	-	-	-	-
24 239	25 733	25 733	26 511	27 975	29 491
-	-	-	-	-	-
53 413	44 369	44 369	70 338	68 586	72 863
18 468	23 028	23 028	15 028	15 019	15 851
-	-	-	-	-	-
-	-	-	-	-	-
<b>533 117</b>	<b>522 477</b>	<b>522 477</b>	<b>659 679</b>	<b>680 786</b>	<b>729 580</b>
119 046	129 993	129 993	132 696	133 093	116 456
131 586	118 421	118 421	135 731	134 066	149 710
282 486	274 063	274 063	391 253	413 627	463 414
-	-	-	-	-	-
<b>31 881</b>	<b>28 711</b>	<b>28 711</b>	<b>31 234</b>	<b>32 608</b>	<b>34 341</b>
31 881	28 711	28 711	31 234	32 608	34 341
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>2 376 560</b>	<b>2 278 698</b>	<b>2 278 698</b>	<b>2 556 116</b>	<b>2 820 209</b>	<b>3 091 926</b>
<b>1 544 811</b>	<b>1 459 784</b>	<b>1 459 784</b>	<b>1 651 138</b>	<b>1 847 504</b>	<b>2 062 062</b>
1 544 811	1 459 784	1 459 784	1 651 138	1 847 504	2 062 062
-	-	-	-	-	-
-	-	-	-	-	-
<b>612 879</b>	<b>596 975</b>	<b>596 975</b>	<b>603 102</b>	<b>635 973</b>	<b>674 392</b>
21 295	41 578	41 578	23 342	24 535	26 765
591 584	555 397	555 397	579 760	611 438	647 628
-	-	-	-	-	-
<b>75 475</b>	<b>64 119</b>	<b>64 119</b>	<b>123 180</b>	<b>147 025</b>	<b>155 941</b>
-	-	-	-	-	-
75 475	64 119	64 119	123 180	147 025	155 941
-	-	-	-	-	-
-	-	-	-	-	-
<b>143 395</b>	<b>157 820</b>	<b>157 820</b>	<b>178 696</b>	<b>189 707</b>	<b>199 531</b>
-	-	-	-	-	-
-	-	-	-	-	-
143 395	157 820	157 820	178 696	189 707	199 531
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>4 550 034</b>	<b>4 583 348</b>	<b>4 583 348</b>	<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>
<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>



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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>	1									
Vote 1 - Chief operations office		-	-	62	4	4	4	12 285	12 133	12 817
Vote 2 - Municipal managers office		-	-	974	2	2	2	2	2	3
Vote 3 - Water and sanitation		403 039	451 551	420 844	529 754	529 754	529 754	883 502	986 654	1 158 075
Vote 4 - Energy services		1 051 644	1 229 864	1 189 248	1 871 880	1 872 701	1 872 701	2 052 223	2 306 989	2 607 381
Vote 5 - Community Services		149 501	196 268	175 858	158 194	156 245	156 245	236 988	262 846	265 728
Vote 6 - Public safety		38 859	32 733	47 035	51 149	49 909	49 909	63 085	70 503	90 195
Vote 7 - Corporate and Shared Services		627	42 502	45 277	3 354	7 302	7 302	5 667	5 950	6 307
Vote 8 - Planning and Economic Development		62 595	211 487	53 088	29 091	30 225	30 225	59 324	60 706	65 414
Vote 9 - Budget and Treasury office		2 692 766	2 494 685	2 802 953	2 973 156	3 023 239	3 023 239	2 156 097	2 260 250	2 367 441
Vote 10 - Transport Operations		21 222	25 387	36 923	33 557	34 144	34 144	538 488	409 583	421 446
Vote 11 - Human Settlement		1 122	1 076	10 303	266	(2 155)	(2 155)	3 208	3 368	3 571
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>4 421 375</b>	<b>4 685 552</b>	<b>4 782 566</b>	<b>5 650 407</b>	<b>5 701 370</b>	<b>5 701 370</b>	<b>6 010 869</b>	<b>6 378 986</b>	<b>6 998 379</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Chief operations office		128 129	128 240	118 567	146 329	146 210	146 210	160 231	165 973	179 825
Vote 2 - Municipal managers office		277 924	332 576	427 185	114 479	241 458	241 458	120 414	126 466	133 075
Vote 3 - Water and sanitation		753 806	703 319	681 708	688 354	661 095	661 095	726 282	782 999	830 333
Vote 4 - Energy services		985 845	1 101 135	1 074 875	1 544 811	1 459 784	1 459 784	1 651 138	1 847 504	2 062 062
Vote 5 - Community Services		455 588	453 385	460 823	402 694	430 540	430 540	511 636	577 168	597 790
Vote 6 - Public safety		328 031	356 396	344 461	385 262	370 988	370 988	404 490	413 676	447 945
Vote 7 - Corporate and Shared Services		292 228	318 781	317 051	320 285	324 637	324 637	352 602	373 993	399 315
Vote 8 - Planning and Economic Development		94 291	436 243	94 827	93 583	85 991	85 991	121 094	124 188	131 409
Vote 9 - Budget and Treasury office		392 398	533 129	481 294	430 498	437 012	437 012	541 589	582 125	615 538
Vote 10 - Transport Operations		563 922	620 373	1 090 738	401 532	404 056	404 056	523 948	546 720	579 870
Vote 11 - Human Settlement		43 150	14 733	15 457	22 207	21 578	21 578	26 789	28 273	29 812
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>4 315 312</b>	<b>4 998 309</b>	<b>5 106 987</b>	<b>4 550 034</b>	<b>4 583 348</b>	<b>4 583 348</b>	<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>

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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>	1									
<b>Vote 1 - Chief operations office</b>		-	-	62	4	4	4	12 285	12 133	12 817
1.1 - Chief operations office (administration)		-	-	62	1	1	1	1	1	1
1.2 - Legaslative support		-	-	-	1	1	1	1	1	1
1.3 - Legal services		-	-	-	1	1	1	1	1	1
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		-	-	-	1	1	1	1	1	1
1.6 - Project management unit		-	-	-	1	1	1	12 281	12 129	12 813
1.7 - Performance management unit		-	-	-	1	1	1	1	1	1
1.8 - Cluster office		-	-	-	1	1	1	1	1	1
1.9 - Executive support		-	-	-	1	1	1	1	1	1
1.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 2 - Municipal managers office</b>		-	-	974	2	2	2	2	2	3
2.1 - Council		-	-	576	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		-	-	-	1	1	1	1	1	1
2.5 -		-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 3 - Water and sanitation</b>		403 039	451 551	420 844	529 754	529 754	529 754	883 502	986 654	1 158 075
3.1 - Water and sanitation admin		155 757	151 343	140 613	196 981	182 718	182 718	456 841	414 961	444 585
3.2 - Reticulation, distribution and maintenance		240 659	288 404	264 634	373 503	373 503	373 503	406 212	445 643	489 208
3.3 - Operations and waste water		6 623	11 803	15 597	(40 732)	(26 469)	(26 469)	20 448	126 049	224 281
3.4 - Quality monitoring services		-	-	-	1	1	1	1	1	1
3.5 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	-	-	1	1	1	1	1	1
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 4 - Energy services</b>		1 051 644	1 229 864	1 189 248	1 871 880	1 872 701	1 872 701	2 052 223	2 306 989	2 607 381
4.1 - Energy services admin		1 051 644	1 229 893	1 162 645	1 933 667	1 934 492	1 934 492	2 106 491	2 375 935	2 680 764
4.2 - Energy operation and maintenance administration		-	(29)	26 603	(61 791)	(61 795)	(61 795)	(67 036)	(75 750)	(85 598)
4.3 - Energy services: 66KV		-	-	-	1	1	1	1	1	1
4.4 - Energy services 11KV		-	-	-	1	1	1	12 765	6 802	12 212
4.5 - Energy services: Planning and development		-	-	-	1	1	1	1	1	1
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 5 - Community Services</b>		149 501	196 268	175 858	158 194	156 245	156 245	236 988	262 846	265 728
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		5 724	24 525	14 252	3 631	2 999	2 999	2 758	2 896	3 070
5.3 - Sport and facilities maintenance		-	-	-	1	1	1	49 525	54 301	44 901
5.4 - Recreation services (swimming pools)		-	-	-	1	1	1	1	1	1
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		5 634	-	-	1	1	1	1	1	1
5.7 - Culture services (art gallery)		10	40	134	113	113	113	119	125	132
5.8 - Cultural services (libraries)		(2)	47	81	318	293	293	308	323	343
5.9 - Cultural service (museums)		-	-	-	1	1	1	801	1	1
5.10 - Other Community Services		138 134	171 655	161 392	154 130	152 837	152 837	183 476	205 200	217 280
<b>Vote 6 - Public safety</b>		38 859	32 733	47 035	51 149	49 909	49 909	63 085	70 503	90 195
6.1 - Public safety administration		-	-	-	1	1	1	1	1	1
6.2 - Traffic and licencing administration		-	-	-	1	1	1	1	1	1
6.3 - Traffic and licences (licencing)		-	-	7	11	11	11	12	12	13
6.4 - Traffic and licencing (vehicle testing and drivers licenc		-	-	-	33	33	33	1	1	1
6.5 - Traffic and licencing (traffic services)		37 603	31 342	46 182	50 444	49 337	49 337	52 538	54 430	57 696
6.6 - Disaster management administration		-	-	-	138	1	1	1	1	1
6.7 - Disaster management (fire fighting)		1 124	1 004	221	122	126	126	132	139	147
6.8 - By law enforcement and security (administration)		-	-	-	1	1	1	1	1	1
6.9 - Security services		68	67	247	385	385	385	1 104	424	450
6.10 - Other Community Development		65	321	379	15	15	15	9 296	15 494	31 886
<b>Vote 7 - Corporate and Shared Services</b>		627	42 502	45 277	3 354	7 302	7 302	5 667	5 950	6 307
7.1 - Community and shared services		0	-	-	2	2	2	2	2	2
7.2 - Corpote service- Information Communication Technol		0	294	10	7	7	7	8	8	9
7.3 - Human Resources Development (administration)		-	-	-	1	1	1	1	1	1
7.4 - Human Resources Development (Organisational deve		-	-	-	1	1	1	1	1	1
7.5 - Human Resources Development (Learning and develo		-	-	-	1	1	1	1	1	1
7.6 - Human Resources Development (EAP)		-	-	-	1	1	1	1	1	1
7.7 - Human Resources (Administration)		-	-	-	1	1	1	1	1	1
7.8 - Human Resources (Personnel administration)		-	-	-	1	1	1	1	1	1
7.9 - Human Resources Management (Labour relations)		-	-	-	1	1	1	1	1	1
7.10 - Other corporate and shared services		627	42 208	45 266	3 342	7 289	7 289	5 653	5 936	6 292
<b>Vote 8 - Planning and Economic Development</b>		62 595	211 487	53 088	29 091	30 225	30 225	59 324	60 706	65 414
8.1 - Directorate planning and development		-	-	-	1	1	1	1	1	1
8.2 - Property management		-	-	-	1	1	1	1	1	1
8.3 - City and regional planning		12 661	7 829	4 294	21 157	21 179	21 179	49 826	50 733	54 843
8.4 - Corporate Gio information		-	-	-	1	1	1	1	1	1
8.5 - Building inspections (administration)		-	-	-	1	1	1	1	1	1
8.6 - Economic development and tourism		111	23	43	2 085	2 085	2 085	2 189	2 298	2 436

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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
8.7 - Local Economic Development		-	-	-	1	1	1	1	1	1
8.8 - Investment Promotion		-	-	-	1	1	1	1	1	1
8.9 - LED (Economic Planning)		-	-	-	1	1	1	1	1	1
8.10 - Other Planning and Economic Development		49 823	203 636	48 751	5 844	6 956	6 956	7 304	7 669	8 129
<b>Vote 9 - Budget and Treasury office</b>		<b>2 692 766</b>	<b>2 494 685</b>	<b>2 802 953</b>	<b>2 973 156</b>	<b>3 023 239</b>	<b>3 023 239</b>	<b>2 156 097</b>	<b>2 260 250</b>	<b>2 367 441</b>
9.1 - Budget and treasury office		231 973	239 594	255 637	4 001	4 001	4 001	1	1	1
9.2 - Expenditure		-	5 905	12 784	1	1	1	1	1	1
9.3 - Revenue management and customer care		2 458 476	2 239 961	2 525 940	2 963 058	3 009 048	3 009 048	2 145 396	2 249 015	2 355 532
9.4 - Supply Chain Management		1	847	(0)	3 620	3 620	3 620	3 801	3 991	4 230
9.5 - Asset management		-	5 555	6 207	1	1	1	1	1	1
9.6 - Budget and financial reporting		2 316	2 821	2 385	2 476	6 569	6 569	6 897	7 242	7 677
9.7 - Business and financial planning		-	-	-	1	1	1	1	1	1
9.8 -		-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Transport Operations</b>		<b>21 222</b>	<b>25 387</b>	<b>36 923</b>	<b>33 557</b>	<b>34 144</b>	<b>34 144</b>	<b>538 488</b>	<b>409 583</b>	<b>421 446</b>
10.1 - Transport services		582	300	1 271	72	660	660	214 502	180 076	172 162
10.2 - Transport services (Planning and operations)		-	1 102	12 232	1 536	1 536	1 536	1 613	1 693	1 795
10.3 - Transport services (Intelligent transport and system r		-	-	-	1	1	1	1	1	1
10.4 - Transport services (Public transport regulation and m		-	-	-	1	1	1	1	1	1
10.5 - Roads and stormwater (Admin)		20 640	21 865	23 420	31 874	31 874	31 874	33 468	35 141	37 250
10.6 - Storm water management and traffic engineering		-	-	-	1	1	1	1	1	1
10.7 - Roads and stormwater (Roads and streets)		-	-	-	72	72	72	288 903	192 670	210 237
10.8 - Roads and stormwater (Stormwater)		0	2 120	-	1	1	1	1	1	1
10.9 -		-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 11 - Human Settlement</b>		<b>1 122</b>	<b>1 076</b>	<b>10 303</b>	<b>266</b>	<b>(2 155)</b>	<b>(2 155)</b>	<b>3 208</b>	<b>3 368</b>	<b>3 571</b>
11.1 - Human Settlement		-	-	-	1	1	1	1	1	1
11.2 - Human Settlement Housing admin		1 122	1 076	10 303	1	(2 420)	(2 420)	2 929	3 076	3 260
11.3 - Human Settlement Rental housing and programme in		-	-	-	265	265	265	278	292	310
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 12 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 13 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 14 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 15 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>4 421 375</b>	<b>4 685 552</b>	<b>4 782 566</b>	<b>5 650 407</b>	<b>5 701 370</b>	<b>5 701 370</b>	<b>6 010 869</b>	<b>6 378 986</b>	<b>6 998 379</b>

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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Expenditure by Vote</b>	1									
<b>Vote 1 - Chief operations office</b>		128 129	128 240	118 567	146 329	146 210	146 210	160 231	165 973	179 825
1.1 - Chief operations office (administration)		3 016	3 358	2 004	5 707	4 862	4 862	6 135	4 364	4 601
1.2 - Legaslative support		18 668	19 562	18 231	33 325	21 063	21 063	39 166	41 343	43 599
1.3 - Legal services		30 697	34 194	31 309	29 757	35 657	35 657	36 127	38 008	44 950
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		10 634	12 387	13 489	14 684	14 866	14 866	16 560	17 468	18 408
1.6 - Project management unit		34 752	32 535	20 378	18 468	23 028	23 028	15 028	15 019	15 851
1.7 - Performance management unit		3 432	3 714	3 994	5 811	5 849	5 849	7 973	8 419	8 881
1.8 - Cluster office		12 551	12 267	12 968	16 064	20 547	20 547	8 998	9 498	10 017
1.9 - Executive support		14 379	10 223	16 195	22 512	20 338	20 338	30 244	31 853	33 517
1.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 2 - Municipal managers office</b>		277 924	332 576	427 185	114 479	241 458	241 458	120 414	126 466	133 075
2.1 - Council		167 493	297 397	389 922	71 982	198 734	198 734	78 732	82 517	86 781
2.2 - Municipal manager		92 412	16 821	18 575	19 502	17 938	17 938	15 069	15 891	16 741
2.3 - Risk management		7 619	7 103	7 038	6 763	7 742	7 742	8 057	8 487	8 931
2.4 - Internal audit		10 399	11 255	11 649	16 232	17 045	17 045	18 556	19 571	20 622
2.5 -		-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 3 - Water and sanitation</b>		753 806	703 319	681 708	688 354	661 095	661 095	726 282	782 999	830 333
3.1 - Water and sanitation admin		142 631	216 506	335 048	448 241	381 478	381 478	410 313	434 397	456 676
3.2 - Reticulation, distribution and maintenance		485 644	393 685	228 018	133 163	152 108	152 108	150 347	156 922	169 779
3.3 - Operations and waste water		87 201	50 607	90 652	75 475	64 119	64 119	102 990	125 704	133 447
3.4 - Quality monitoring services		30 384	33 712	17 055	21 295	41 578	41 578	41 656	43 875	47 168
3.5 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		7 947	8 809	10 935	10 180	21 811	21 811	20 977	22 101	23 263
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 4 - Energy services</b>		985 845	1 101 135	1 074 875	1 544 811	1 459 784	1 459 784	1 651 138	1 847 504	2 062 062
4.1 - Energy services admin		2 885	2 580	2 732	4 097	4 427	4 427	10 497	7 002	11 082
4.2 - Energy operation and maintenance administration		64 446	62 439	65 542	210 805	139 663	139 663	163 251	171 685	180 384
4.3 - Energy services: 66KV		31 782	39 417	25 659	45 809	35 649	35 649	43 360	50 677	53 323
4.4 - Energy services 11KV		884 950	994 375	972 883	1 274 446	1 270 401	1 270 401	1 425 023	1 608 672	1 807 333
4.5 - Energy services: Planning and development		1 781	2 324	8 060	9 654	9 644	9 644	9 008	9 467	9 940
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 5 - Community Services</b>		455 588	453 385	460 823	402 694	430 540	430 540	511 636	577 168	597 790
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		66 559	66 504	70 100	66 923	67 142	67 142	87 932	92 708	97 650
5.3 - Sport and facilities maintenance		174 888	163 916	173 549	102 048	120 749	120 749	148 142	191 827	192 128
5.4 - Recreation services (swimming pools)		6 160	7 171	7 120	9 230	7 287	7 287	9 749	10 288	10 845
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		1 891	1 970	1 532	2 281	2 290	2 290	2 357	2 488	2 624
5.7 - Culture services (art gallery)		1 450	1 431	1 506	1 549	1 627	1 627	1 449	1 528	1 611
5.8 - Cultural services (libraries)		21 637	21 724	21 208	27 194	23 745	23 745	29 341	32 023	33 768
5.9 - Cultural service (museums)		7 663	8 542	8 235	11 015	11 034	11 034	11 692	11 496	12 123
5.10 - Other Community Services		175 340	182 127	177 574	182 451	196 665	196 665	220 974	234 810	247 041
<b>Vote 6 - Public safety</b>		328 031	356 396	344 461	385 262	370 988	370 988	404 490	413 676	447 945
6.1 - Public safety administration		489	407	533	4 148	3 950	3 950	6 487	6 835	7 195
6.2 - Traffic and licencing administration		1 953	1 901	2 015	2 347	2 228	2 228	2 437	2 573	2 713
6.3 - Traffic and licences (licencing)		16 909	14 333	14 604	18 860	17 416	17 416	19 965	21 075	22 225
6.4 - Traffic and licencing (vehicle testing and drivers licenc		12 145	12 447	12 829	16 492	13 561	13 561	16 756	17 692	18 662
6.5 - Traffic and licencing (traffic services)		85 823	90 130	92 608	93 887	85 216	85 216	96 572	92 727	106 110
6.6 - Disaster management administration		84 072	95 566	77 952	86 833	87 363	87 363	85 629	87 978	94 153
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)		4 718	2 303	2 122	2 436	3 111	3 111	2 398	2 530	2 667
6.9 - Security services		89 032	99 952	104 302	114 925	120 483	120 483	127 874	134 208	143 584
6.10 - Other Community Development		32 890	39 357	37 496	45 334	37 660	37 660	46 371	48 059	50 636
<b>Vote 7 - Corporate and Shared Services</b>		292 228	318 781	317 051	320 285	324 637	324 637	352 602	373 993	399 315
7.1 - Community and shared services		2 575	2 765	3 767	3 868	2 787	2 787	11 343	11 970	12 621
7.2 - Corporate service- Information Communication Technol		53 448	59 332	64 261	65 306	62 762	62 762	66 821	71 407	77 152
7.3 - Human Resources Development (administration)		-	1	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational deve		3 779	3 906	3 725	4 440	4 561	4 561	4 875	5 147	5 429
7.5 - Human Resources Development (Learning and develo		18 211	18 974	17 364	21 323	17 797	17 797	23 056	23 930	23 078
7.6 - Human Resources Development (EAP)		2 318	2 463	1 417	4 366	3 268	3 268	4 632	4 888	5 152
7.7 - Human Resources (Administration)		2 040	2 937	4 102	2 444	5 438	5 438	2 118	2 235	2 358
7.8 - Human Resources (Personnel administration)		7 433	7 465	7 551	8 842	8 722	8 722	10 074	10 635	11 216
7.9 - Human Resources Management (Labour relations)		4 651	4 198	7 046	6 487	10 931	10 931	11 930	12 561	13 213
7.10 - Other corporate and shared services		197 773	216 739	207 818	203 210	208 371	208 371	217 754	231 220	249 095
<b>Vote 8 - Planning and Economic Development</b>		94 291	436 243	94 827	93 583	85 991	85 991	121 094	124 188	131 409
8.1 - Directorate planning and development		2 481	3 125	2 774	3 741	3 972	3 972	4 831	5 095	5 369
8.2 - Property management		5 610	5 683	5 239	9 376	6 430	6 430	10 490	11 076	11 684
8.3 - City and regional planning		32 207	22 975	28 046	22 670	22 472	22 472	34 944	33 326	35 669
8.4 - Corporate Gio information		3 846	4 052	4 255	7 154	6 347	6 347	8 060	8 510	8 976
8.5 - Building inspections (administration)		7 887	8 220	8 618	14 214	9 120	9 120	19 388	20 473	21 597

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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
8.6 - Economic development and tourism		2 002	1 934	2 244	2 687	2 146	2 146	2 165	2 285	2 410
8.7 - Local Economic Development		6 725	6 671	7 653	5 450	6 831	6 831	6 199	6 540	6 893
8.8 - Investment Promotion		4 406	4 757	4 906	5 917	6 392	6 392	6 227	6 571	6 928
8.9 - LED (Economic Planning)		29 127	29 372	25 192	22 375	22 282	22 282	28 790	30 311	31 883
8.10 - Other Planning and Economic Development		-	349 455	5 900	-	-	-	-	-	-
<b>Vote 9 - Budget and Treasury office</b>		<b>392 398</b>	<b>533 129</b>	<b>481 294</b>	<b>430 498</b>	<b>437 012</b>	<b>437 012</b>	<b>541 589</b>	<b>582 125</b>	<b>615 538</b>
9.1 - Budget and treasury office		14 141	319 022	29 544	6 338	6 324	6 324	17 732	13 158	13 599
9.2 - Expenditure		122 108	(150 204)	136 290	97 476	95 988	95 988	99 573	103 220	106 380
9.3 - Revenue management and customer care		102 854	120 969	89 819	167 151	138 526	138 526	215 520	234 380	246 354
9.4 - Supply Chain Management		36 287	139 696	112 801	27 410	24 217	24 217	29 256	30 884	32 573
9.5 - Asset management		56 145	61 269	71 945	77 612	115 610	115 610	105 184	111 646	118 320
9.6 - Budget and financial reporting		59 634	40 696	38 909	52 220	51 991	51 991	66 907	81 028	90 102
9.7 - Business and financial planning		1 230	1 680	1 985	2 290	4 356	4 356	7 418	7 808	8 210
9.8 -		-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Transport Operations</b>		<b>563 922</b>	<b>620 373</b>	<b>1 090 738</b>	<b>401 532</b>	<b>404 056</b>	<b>404 056</b>	<b>523 948</b>	<b>546 720</b>	<b>579 870</b>
10.1 - Transport services		72 929	93 428	96 868	75 593	91 960	91 960	88 833	89 050	79 065
10.2 - Transport services (Planning and operations)		2 387	2 608	6 710	13 179	14 524	14 524	13 960	15 283	12 022
10.3 - Transport services (Intelligent transport and system m		-	341	8 522	16 227	8 953	8 953	13 026	10 914	8 805
10.4 - Transport services (Public transport regulation and m		19 519	3 319	3 769	14 046	14 556	14 556	16 877	17 846	16 565
10.5 - Roads and stormwater (Admin)		1 654	1 707	1 805	7 522	7 563	7 563	3 325	3 505	3 691
10.6 - Storm water management and traffic engineering		-	1 618	-	69	59	59	68	72	75
10.7 - Roads and stormwater (Roads and streets)		107 281	225 525	90 213	123 367	112 804	112 804	146 780	142 170	147 120
10.8 - Roads and stormwater (Stormwater)		360 152	291 827	882 851	148 982	151 193	151 193	237 380	263 975	308 410
10.9 -		-	-	-	2 546	2 445	2 445	3 699	3 905	4 119
10.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 11 - Human Settlement</b>		<b>43 150</b>	<b>14 733</b>	<b>15 457</b>	<b>22 207</b>	<b>21 578</b>	<b>21 578</b>	<b>26 789</b>	<b>28 273</b>	<b>29 812</b>
11.1 - Human Settlement		14	44	138	1 047	1 013	1 013	257	270	284
11.2 - Human Settlement Housing admin		4 173	3 555	3 451	6 535	5 209	5 209	5 997	6 319	6 653
11.3 - Human Settlement Rental housing and programme in		38 963	11 135	11 869	14 625	15 356	15 356	20 535	21 683	22 874
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 12 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 13 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 14 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 15 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>4 315 312</b>	<b>4 998 309</b>	<b>5 106 987</b>	<b>4 550 034</b>	<b>4 583 348</b>	<b>4 583 348</b>	<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>

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

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	1 043 345	1 217 849	1 180 206	1 820 601	1 820 601	1 820 601	1 820 601	1 984 455	2 242 434	2 533 950
Service charges - Water	2	240 651	288 397	264 634	350 836	350 836	350 836	350 836	382 411	420 652	462 718
Service charges - Waste Water Management	2	162 380	163 147	156 210	147 319	147 319	147 319	147 319	156 158	163 966	173 804
Service charges - Waste Management	2	136 312	145 806	141 795	141 640	141 640	141 640	141 640	150 139	157 646	167 104
Sale of Goods and Rendering of Services		14 727	21 251	26 360	14 187	14 192	14 192	14 192	14 902	15 647	16 586
Agency services		20 640	21 865	23 554	31 874	31 874	31 874	31 874	33 467	35 141	37 249
Interest		(0)	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		33 977	42 220	75 517	89 294	89 294	89 294	89 294	93 759	98 447	104 353
Interest earned from Current and Non Current Assets		12 333	9 641	38 815	20 940	40 940	40 940	40 940	42 987	45 136	47 845
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		18 132	28 618	34 557	12 512	12 512	12 512	12 512	13 137	13 794	14 622
Licence and permits		6 199	13 495	13 789	14 098	14 098	14 098	14 098	15 263	16 026	16 988
Operational Revenue		3 851	3 964	41 537	39 041	39 041	39 041	39 041	40 993	43 042	45 625
<b>Non-Exchange Revenue</b>											
Property rates	2	468 974	528 049	573 341	622 442	622 442	622 442	622 442	641 116	666 760	700 098
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		38 939	31 865	42 451	42 049	42 049	42 049	42 049	44 152	46 359	49 141
Licences or permits		-	(0)	-	441	441	441	441	3	3	3
Transfer and subsidies - Operational		1 386 384	1 215 946	1 403 549	1 575 705	1 546 089	1 546 089	1 546 089	1 666 130	1 744 744	1 802 510
Interest		29 083	28 231	40 926	22 323	22 323	22 323	22 323	23 440	24 612	26 088
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		121	2 120	(2 099)	-	-	-	-	-	-	-
Other Gains		40 333	267 691	114 834	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contrib</b>		<b>3 656 382</b>	<b>4 030 154</b>	<b>4 169 977</b>	<b>4 945 302</b>	<b>4 935 692</b>	<b>4 935 692</b>	<b>4 935 692</b>	<b>5 302 511</b>	<b>5 734 409</b>	<b>6 198 684</b>
<b>Expenditure</b>											
Employee related costs	2	973 200	1 026 750	1 072 016	1 258 954	1 153 655	1 153 655	1 153 655	1 341 147	1 406 049	1 495 599
Remuneration of councillors		38 692	39 349	41 384	43 514	44 896	44 896	44 896	47 455	50 113	52 869
Bulk purchases - electricity	2	765 101	878 180	856 611	1 162 130	1 153 687	1 153 687	1 153 687	1 303 666	1 473 143	1 664 651
Inventory consumed	8	296 908	254 052	225 857	336 483	314 542	314 542	314 542	328 513	363 220	381 379
Debt impairment	3	-	-	-	272 220	154 124	154 124	154 124	162 447	170 732	179 268
Depreciation and amortisation		892 255	780 704	754 315	272 220	272 220	272 220	272 220	386 920	453 359	497 571
Interest		61 770	59 737	57 837	44 535	40 535	40 535	40 535	42 724	44 903	47 148
Contracted services		774 282	1 004 313	837 888	839 992	925 889	925 889	925 889	978 409	1 032 607	1 085 286
Transfers and subsidies		127 711	45 240	9 671	11 622	16 022	16 022	16 022	10 480	10 480	10 480
Irrecoverable debts written off		154 120	199 543	324 015	-	118 096	118 096	118 096	124 473	130 821	137 362
Operational costs		217 049	239 560	258 345	308 363	389 683	389 683	389 683	413 979	433 658	455 360
Losses on disposal of Assets		846	70 408	580 910	-	-	-	-	-	-	-
Other Losses		13 378	400 474	88 137	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>4 315 312</b>	<b>4 998 309</b>	<b>5 106 987</b>	<b>4 550 034</b>	<b>4 583 348</b>	<b>4 583 348</b>	<b>4 583 348</b>	<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>
<b>Surplus/(Deficit)</b>		<b>(658 930)</b>	<b>(968 155)</b>	<b>(937 010)</b>	<b>395 269</b>	<b>352 344</b>	<b>352 344</b>	<b>352 344</b>	<b>162 298</b>	<b>165 326</b>	<b>191 711</b>
Transfers and subsidies - capital (monetary	6	764 993	655 398	612 013	705 105	765 678	765 678	765 678	708 358	644 576	799 694
Transfers and subsidies - capital (in-kind)	6	-	-	576	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>106 063</b>	<b>(312 757)</b>	<b>(324 421)</b>	<b>1 100 373</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>1 118 022</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>

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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Chief operations office		3 178	10 272	13 761	870	10 419	10 419	10 419	1 197	1 331	3 040
Vote 2 - Municipal managers office		-	-	-	3 400	1 203	1 203	1 203	-	-	-
Vote 3 - Water and sanitation		393 657	301 758	312 654	319 008	498 025	498 025	498 025	305 529	292 806	393 935
Vote 4 - Energy services		48 803	51 937	63 514	90 921	73 489	73 489	73 489	55 155	47 288	31 608
Vote 5 - Community Services		62 862	50 807	20 262	61 340	86 040	86 040	86 040	102 407	117 333	129 308
Vote 6 - Public safety		385	3 823	2 251	10 943	16 225	16 225	16 225	23 612	30 687	40 647
Vote 7 - Corporate and Shared Services		39 215	21 477	24 217	31 331	20 454	20 454	20 454	36 625	21 707	33 775
Vote 8 - Planning and Economic Development		-	2 510	5 588	11 614	19 157	19 157	19 157	17 539	20 567	22 020
Vote 9 - Budget and Treasury office		40 870	763	13 430	580	580	580	580	-	-	-
Vote 10 - Transport Operations		250 909	242 144	184 368	267 232	215 526	215 526	215 526	278 079	173 471	195 971
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>839 879</b>	<b>685 491</b>	<b>640 044</b>	<b>797 239</b>	<b>941 117</b>	<b>941 117</b>	<b>941 117</b>	<b>820 142</b>	<b>705 190</b>	<b>850 305</b>
<b>Total Capital Expenditure - Vote</b>		<b>839 879</b>	<b>685 491</b>	<b>640 044</b>	<b>797 239</b>	<b>941 117</b>	<b>941 117</b>	<b>941 117</b>	<b>820 142</b>	<b>705 190</b>	<b>850 305</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>80 470</b>	<b>23 583</b>	<b>38 189</b>	<b>37 200</b>	<b>24 126</b>	<b>24 126</b>	<b>24 126</b>	<b>38 135</b>	<b>22 956</b>	<b>38 235</b>
Executive and council		-	-	-	3 400	1 203	1 203	1 203	-	-	-
Finance and administration		80 470	23 583	38 189	33 800	22 923	22 923	22 923	38 135	22 956	38 235
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>62 747</b>	<b>41 442</b>	<b>21 307</b>	<b>43 046</b>	<b>67 746</b>	<b>67 746</b>	<b>67 746</b>	<b>94 763</b>	<b>106 520</b>	<b>116 494</b>
Community and social services		2 233	9 004	1 707	5 204	5 204	5 204	5 204	21 985	29 818	26 687
Sport and recreation		60 514	32 438	19 600	37 842	62 542	62 542	62 542	72 778	76 652	89 707
Public safety		-	-	-	-	-	-	-	-	50	100
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>250 909</b>	<b>245 799</b>	<b>204 218</b>	<b>283 908</b>	<b>254 575</b>	<b>254 575</b>	<b>254 575</b>	<b>298 618</b>	<b>195 739</b>	<b>232 272</b>
Planning and development		-	2 510	19 349	11 614	28 706	28 706	28 706	17 539	20 567	22 020
Road transport		250 909	243 289	184 463	272 294	225 870	225 870	225 870	281 079	175 171	210 251
Environmental protection		-	406	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>445 753</b>	<b>374 668</b>	<b>376 330</b>	<b>433 085</b>	<b>594 671</b>	<b>594 671</b>	<b>594 671</b>	<b>388 626</b>	<b>379 975</b>	<b>463 304</b>
Energy sources		50 016	54 902	63 514	90 921	73 489	73 489	73 489	55 155	47 288	31 608
Water management		198 950	202 057	195 624	206 987	286 888	286 888	286 888	246 872	157 203	170 064
Waste water management		194 708	99 701	117 029	112 021	211 137	211 137	211 137	58 657	135 604	223 871
Waste management		2 079	18 007	163	23 156	23 156	23 156	23 156	27 942	39 881	37 761
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	<b>839 879</b>	<b>685 491</b>	<b>640 044</b>	<b>797 239</b>	<b>941 117</b>	<b>941 117</b>	<b>941 117</b>	<b>820 142</b>	<b>705 190</b>	<b>850 305</b>
<b>Funded by:</b>											
National Government		693 246	519 741	532 185	613 134	665 807	665 807	665 807	615 963	560 501	695 386
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>693 246</b>	<b>519 741</b>	<b>532 185</b>	<b>613 134</b>	<b>665 807</b>	<b>665 807</b>	<b>665 807</b>	<b>615 963</b>	<b>560 501</b>	<b>695 386</b>
<b>Borrowing</b>	6	(885)	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		<b>142 815</b>	<b>165 299</b>	<b>103 833</b>	<b>184 104</b>	<b>275 310</b>	<b>275 310</b>	<b>275 310</b>	<b>204 178</b>	<b>144 689</b>	<b>154 918</b>
<b>Total Capital Funding</b>	7	<b>835 177</b>	<b>685 040</b>	<b>636 018</b>	<b>797 239</b>	<b>941 117</b>	<b>941 117</b>	<b>941 117</b>	<b>820 142</b>	<b>705 190</b>	<b>850 305</b>



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

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1										
<b>Capital expenditure - Municipal Vote</b>											
<b>Multi-year expenditure appropriation</b>	2										
<b>Vote 1 - Chief operations office</b>		-	-	-	-	-	-	-	-	-	-
1.1 - Chief operations office (administration)		-	-	-	-	-	-	-	-	-	-
1.2 - Legislative 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 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 2 - Municipal managers office</b>		-	-	-	-	-	-	-	-	-	-
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 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 3 - Water and sanitation</b>		-	-	-	-	-	-	-	-	-	-
3.1 - Water and sanitation admin		-	-	-	-	-	-	-	-	-	-
3.2 - Reticulation, distribution and maintenance		-	-	-	-	-	-	-	-	-	-
3.3 - Operations and waste water		-	-	-	-	-	-	-	-	-	-
3.4 - Quality monitoring services		-	-	-	-	-	-	-	-	-	-
3.5 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	-	-	-	-	-	-	-	-	-
3.8 -		-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 4 - Energy services</b>		-	-	-	-	-	-	-	-	-	-
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 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 5 - Community Services</b>		-	-	-	-	-	-	-	-	-	-
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		-	-	-	-	-	-	-	-	-	-
5.3 - Sport and facilities maintenance		-	-	-	-	-	-	-	-	-	-
5.4 - Recreation services (swimming pools)		-	-	-	-	-	-	-	-	-	-
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		-	-	-	-	-	-	-	-	-	-
5.7 - Culture services (art gallery)		-	-	-	-	-	-	-	-	-	-
5.8 - Cultural services (libraries)		-	-	-	-	-	-	-	-	-	-
5.9 - Cultural service (museums)		-	-	-	-	-	-	-	-	-	-
5.10 - Other Community Services		-	-	-	-	-	-	-	-	-	-
<b>Vote 6 - Public safety</b>		-	-	-	-	-	-	-	-	-	-
6.1 - Public safety administration		-	-	-	-	-	-	-	-	-	-
6.2 - Traffic and licencing administration		-	-	-	-	-	-	-	-	-	-
6.3 - Traffic and licences (licencing)		-	-	-	-	-	-	-	-	-	-
6.4 - Traffic and licencing (vehicle testing and drivers licenc		-	-	-	-	-	-	-	-	-	-
6.5 - Traffic and licencing (traffic services)		-	-	-	-	-	-	-	-	-	-
6.6 - Disaster management administration		-	-	-	-	-	-	-	-	-	-
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)		-	-	-	-	-	-	-	-	-	-
6.9 - Security services		-	-	-	-	-	-	-	-	-	-
6.10 - Other Community Development		-	-	-	-	-	-	-	-	-	-
<b>Vote 7 - Corporate and Shared Services</b>		-	-	-	-	-	-	-	-	-	-
7.1 - Community and shared services		-	-	-	-	-	-	-	-	-	-
7.2 - Corporate service- Information Communication Technol		-	-	-	-	-	-	-	-	-	-
7.3 - Human Resources Development (administration)		-	-	-	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational develo		-	-	-	-	-	-	-	-	-	-
7.5 - Human Resources Development (Learning and develo		-	-	-	-	-	-	-	-	-	-
7.6 - Human Resources Development (EAP)		-	-	-	-	-	-	-	-	-	-
7.7 - Human Resources (Administration)		-	-	-	-	-	-	-	-	-	-
7.8 - Human Resources (Personnel administration)		-	-	-	-	-	-	-	-	-	-
7.9 - Human Resources Management (Labour relations)		-	-	-	-	-	-	-	-	-	-
7.10 - Other corporate and shared services		-	-	-	-	-	-	-	-	-	-

<b>Vote 8 - Planning and Economic Development</b>	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
<b>Vote 9 - Budget and Treasury office</b>	-	-	-	-	-	-	-	-	-	-	-	-
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 -	-	-	-	-	-	-	-	-	-	-	-	-
<b>Vote 10 - Transport Operations</b>	-	-	-	-	-	-	-	-	-	-	-	-
10.1 - Transport services	-	-	-	-	-	-	-	-	-	-	-	-
10.2 - Transport services (Planning and operations)	-	-	-	-	-	-	-	-	-	-	-	-
10.3 - Transport services (Intelligent transport and system r	-	-	-	-	-	-	-	-	-	-	-	-
10.4 - Transport services (Public transport regulation and m	-	-	-	-	-	-	-	-	-	-	-	-
10.5 - Roads and stormwater (Admin)	-	-	-	-	-	-	-	-	-	-	-	-
10.6 - Storm water management and traffic engineering	-	-	-	-	-	-	-	-	-	-	-	-
10.7 - Roads and stormwater (Roads and streets)	-	-	-	-	-	-	-	-	-	-	-	-
10.8 - Roads and stormwater (Stormwater)	-	-	-	-	-	-	-	-	-	-	-	-
10.9 -	-	-	-	-	-	-	-	-	-	-	-	-
10.10 -	-	-	-	-	-	-	-	-	-	-	-	-
<b>Vote 11 - Human Settlement</b>	-	-	-	-	-	-	-	-	-	-	-	-
11.1 - Human Settlement	-	-	-	-	-	-	-	-	-	-	-	-
11.2 - Human Settlement Housing admin	-	-	-	-	-	-	-	-	-	-	-	-
11.3 - Human Settlement Rental housing and programme in	-	-	-	-	-	-	-	-	-	-	-	-
11.4 -	-	-	-	-	-	-	-	-	-	-	-	-
11.5 -	-	-	-	-	-	-	-	-	-	-	-	-
11.6 -	-	-	-	-	-	-	-	-	-	-	-	-
11.7 -	-	-	-	-	-	-	-	-	-	-	-	-
11.8 -	-	-	-	-	-	-	-	-	-	-	-	-
11.9 -	-	-	-	-	-	-	-	-	-	-	-	-
11.10 -	-	-	-	-	-	-	-	-	-	-	-	-
<b>Vote 12 -</b>	-	-	-	-	-	-	-	-	-	-	-	-
12.1 -	-	-	-	-	-	-	-	-	-	-	-	-
12.2 -	-	-	-	-	-	-	-	-	-	-	-	-
12.3 -	-	-	-	-	-	-	-	-	-	-	-	-
12.4 -	-	-	-	-	-	-	-	-	-	-	-	-
12.5 -	-	-	-	-	-	-	-	-	-	-	-	-
12.6 -	-	-	-	-	-	-	-	-	-	-	-	-
12.7 -	-	-	-	-	-	-	-	-	-	-	-	-
12.8 -	-	-	-	-	-	-	-	-	-	-	-	-
12.9 -	-	-	-	-	-	-	-	-	-	-	-	-
12.10 -	-	-	-	-	-	-	-	-	-	-	-	-
<b>Vote 13 -</b>	-	-	-	-	-	-	-	-	-	-	-	-
13.1 -	-	-	-	-	-	-	-	-	-	-	-	-
13.2 -	-	-	-	-	-	-	-	-	-	-	-	-
13.3 -	-	-	-	-	-	-	-	-	-	-	-	-
13.4 -	-	-	-	-	-	-	-	-	-	-	-	-
13.5 -	-	-	-	-	-	-	-	-	-	-	-	-
13.6 -	-	-	-	-	-	-	-	-	-	-	-	-
13.7 -	-	-	-	-	-	-	-	-	-	-	-	-
13.8 -	-	-	-	-	-	-	-	-	-	-	-	-
13.9 -	-	-	-	-	-	-	-	-	-	-	-	-
13.10 -	-	-	-	-	-	-	-	-	-	-	-	-
<b>Vote 14 -</b>	-	-	-	-	-	-	-	-	-	-	-	-
14.1 -	-	-	-	-	-	-	-	-	-	-	-	-
14.2 -	-	-	-	-	-	-	-	-	-	-	-	-
14.3 -	-	-	-	-	-	-	-	-	-	-	-	-
14.4 -	-	-	-	-	-	-	-	-	-	-	-	-
14.5 -	-	-	-	-	-	-	-	-	-	-	-	-
14.6 -	-	-	-	-	-	-	-	-	-	-	-	-
14.7 -	-	-	-	-	-	-	-	-	-	-	-	-
14.8 -	-	-	-	-	-	-	-	-	-	-	-	-
14.9 -	-	-	-	-	-	-	-	-	-	-	-	-
14.10 -	-	-	-	-	-	-	-	-	-	-	-	-
<b>Vote 15 -</b>	-	-	-	-	-	-	-	-	-	-	-	-
15.1 -	-	-	-	-	-	-	-	-	-	-	-	-
15.2 -	-	-	-	-	-	-	-	-	-	-	-	-
15.3 -	-	-	-	-	-	-	-	-	-	-	-	-
15.4 -	-	-	-	-	-	-	-	-	-	-	-	-
15.5 -	-	-	-	-	-	-	-	-	-	-	-	-
15.6 -	-	-	-	-	-	-	-	-	-	-	-	-
15.7 -	-	-	-	-	-	-	-	-	-	-	-	-
15.8 -	-	-	-	-	-	-	-	-	-	-	-	-
15.9 -	-	-	-	-	-	-	-	-	-	-	-	-
15.10 -	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	-	-	-	-	-	-	-	-	-	-

Capital expenditure - Municipal Vote											
Single-year expenditure appropriation											
	2										
<b>Vote 1 - Chief operations office</b>		3 178	10 272	13 761	870	10 419	10 419	10 419	1 197	1 331	3 040
1.1 - Chief operations office (administration)		-	-	-	-	-	-	-	-	50	2 000
1.2 - Legaslative support		-	-	-	-	-	-	-	-	-	-
1.3 - Legal services		1 213	2 965	-	-	-	-	-	-	-	-
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		-	-	-	-	-	-	-	-	-	-
1.6 - Project management unit		-	-	13 761	-	9 549	9 549	9 549	-	-	-
1.7 - Performance management unit		-	-	-	-	-	-	-	-	-	-
1.8 - Cluster office		1 965	7 307	(0)	870	870	870	870	1 197	1 281	1 040
1.9 - Executive support		-	-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 2 - Municipal managers office</b>		-	-	-	3 400	1 203	1 203	1 203	-	-	-
2.1 - Council		-	-	-	3 400	1 203	1 203	1 203	-	-	-
2.2 - Municipal manager		-	-	-	-	-	-	-	-	-	-
2.3 - Risk management		-	-	-	-	-	-	-	-	-	-
2.4 - Internal audit		-	-	-	-	-	-	-	-	-	-
2.5 -		-	-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 3 - Water and sanitation</b>		393 657	301 758	312 654	319 008	498 025	498 025	498 025	305 529	292 806	393 935
3.1 - Water and sanitation admin		-	-	48 604	1 500	17 795	17 795	17 795	-	-	-
3.2 - Reticulation, distrubution and maintenance		-	-	-	-	-	-	-	-	-	-
3.3 - Operations and waste water		194 708	99 701	117 029	112 021	211 137	211 137	211 137	58 657	135 604	223 871
3.4 - Quality monitoring services		-	65 826	-	1 295	(0)	(0)	(0)	9 261	540	359
3.5 - Reticulations, distrubution and maintenance, wate		-	-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distrubution and maintenance, wate		-	-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		198 950	136 231	147 020	204 192	269 093	269 093	269 093	237 611	156 663	169 705
3.8 -		-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 4 - Energy services</b>		48 803	51 937	63 514	90 921	73 489	73 489	73 489	55 155	47 288	31 608
4.1 - Energy services admin		914	5 143	926	3 478	3 478	3 478	3 478	-	-	-
4.2 - Energy operation and maintenance administration		-	-	-	-	-	-	-	-	-	-
4.3 - Energy services: 66KV		-	-	-	-	-	-	-	-	-	-
4.4 - Energy services 11KV		-	-	24 647	57 443	38 159	38 159	38 159	19 455	31 478	28 108
4.5 - Energy services: Planning and development		47 889	46 794	37 941	30 000	31 852	31 852	31 852	35 701	15 809	3 500
4.6 -		-	-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 5 - Community Services</b>		62 862	50 807	20 262	61 340	86 040	86 040	86 040	102 407	117 333	129 308
5.1 - Directorate communitiy services		-	-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		60 514	32 438	14 256	35 135	47 835	47 835	47 835	67 278	72 302	82 195
5.3 - Sport and facilities maintenance		-	-	5 344	2 706	14 706	14 706	14 706	5 500	4 350	7 512
5.4 - Recreation services (swimming pools)		-	-	-	-	-	-	-	-	-	-
5.5 - Sports facilities maintenance (horticultural service)		-	-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		-	-	-	-	-	-	-	-	-	-
5.7 - Culture services (art gallery)		-	-	-	-	-	-	-	-	-	-
5.8 - Cultural services (libraries)		-	-	-	-	-	-	-	-	-	-
5.9 - Cultural service (museums)		268	362	93	343	343	343	343	1 687	700	1 840
5.10 - Other Community Services		2 079	18 007	569	23 156	23 156	23 156	23 156	27 942	39 981	37 761
<b>Vote 6 - Public safety</b>		385	3 823	2 251	10 943	16 225	16 225	16 225	23 612	30 687	40 647
6.1 - Public safety administration		-	-	-	-	-	-	-	-	-	-
6.2 - Traffic and licencing administration		-	-	-	4 337	8 837	8 837	8 837	3 000	1 350	7 580
6.3 - Traffic and licences (licencing)		-	-	-	-	-	-	-	-	-	-
6.4 - Traffic and licencing (vehicle testing and drivers li		-	-	-	725	725	725	725	-	50	100
6.5 - Traffic and licencing (traffic services)		-	1 144	94	-	782	782	782	-	250	4 600
6.6 - Disaster management administration		-	1 335	1 614	3 992	3 992	3 992	3 992	19 101	27 737	23 807
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	50	100
6.8 - By law enforcement and security (administration)		-	-	-	-	-	-	-	-	-	-
6.9 - Security services		-	-	-	-	-	-	-	-	-	-
6.10 - Other Community Development		385	1 344	542	1 889	1 889	1 889	1 889	1 511	1 250	4 460
<b>Vote 7 - Corporate and Shared Services</b>		39 215	21 477	24 217	31 331	20 454	20 454	20 454	36 625	21 707	33 775
7.1 - Community and shared services		-	-	-	-	-	-	-	-	-	-
7.2 - Corpore service- Information Communication Tec		7 270	4 025	2 268	1 079	2 920	2 920	2 920	4 372	4 290	5 197
7.3 - Human Resources Development (administration)		-	-	-	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational d		-	-	-	-	-	-	-	-	-	-
7.5 - Human Resources Development (Learning and dev		-	-	-	-	-	-	-	-	-	-
7.6 - Human Resources Development (EAP)		-	-	-	-	-	-	-	-	-	-
7.7 - Human Resources (Administration)		-	-	-	-	-	-	-	-	-	-
7.8 - Human Resources (Personnel administration)		-	-	-	-	-	-	-	-	-	-
7.9 - Human Resources Management (Labour relations)		-	-	-	-	-	-	-	-	-	-
7.10 - Other corporate and shared services		31 946	17 452	21 949	30 253	17 533	17 533	17 533	32 252	17 417	28 578
<b>Vote 8 - Planning and Economic Development</b>		-	2 510	5 588	11 614	19 157	19 157	19 157	17 539	20 567	22 020
8.1 - Directorate planning and development		-	-	-	-	-	-	-	-	-	-
8.2 - Property management		-	-	-	-	-	-	-	-	-	-
8.3 - City and regional planning		-	2 510	1 461	10 505	18 048	18 048	18 048	17 539	20 567	22 020
8.4 - Corporate Gio information		-	-	4 127	1 108	1 108	1 108	1 108	-	-	-
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	40 870	763	13 430	580	580	580	580	-	-	-
9.1 - Budget and treasury office	29 351	-	-	-	-	-	-	-	-	-
9.2 - Expenditure	-	-	-	-	-	-	-	-	-	-
9.3 - Revenue management and customer care	-	-	-	-	-	-	-	-	-	-
9.4 - Supply Chain Management	1 158	3	470	580	580	580	580	-	-	-
9.5 - Asset management	10 361	760	12 960	-	-	-	-	-	-	-
9.6 - Budget and financial reporting	-	-	-	-	-	-	-	-	-	-
9.7 - Business and financial planning	-	-	-	-	-	-	-	-	-	-
9.8 -	-	-	-	-	-	-	-	-	-	-
9.9 -	-	-	-	-	-	-	-	-	-	-
9.10 -	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations	250 909	242 144	184 368	267 232	215 526	215 526	215 526	278 079	173 471	195 971
10.1 - Transport services	103 404	37 690	65 834	114 330	65 340	65 340	65 340	100 145	68 612	81 119
10.2 - Transport services (Planning and operations)	-	-	-	-	-	-	-	-	-	-
10.3 - Transport services (Intelligent transport and syst	-	-	-	-	-	-	-	-	-	-
10.4 - Transport services (Public transport regulation a	-	-	-	-	-	-	-	-	-	-
10.5 - Roads and stormwater (Admin)	-	-	-	-	-	-	-	-	-	-
10.6 - Storm water management and traffic engineering	-	-	-	-	-	-	-	-	-	-
10.7 - Roads and stormwater (Roads and streets)	147 504	204 454	118 534	152 601	133 554	133 554	133 554	173 090	99 716	113 352
10.8 - Roads and stormwater (Stormwater)	-	-	-	301	16 632	16 632	16 632	4 843	5 143	1 500
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 program	-	-	-	-	-	-	-	-	-	-
11.4 -	-	-	-	-	-	-	-	-	-	-
11.5 -	-	-	-	-	-	-	-	-	-	-
11.6 -	-	-	-	-	-	-	-	-	-	-
11.7 -	-	-	-	-	-	-	-	-	-	-
11.8 -	-	-	-	-	-	-	-	-	-	-
11.9 -	-	-	-	-	-	-	-	-	-	-
11.10 -	-	-	-	-	-	-	-	-	-	-
Vote 12 -	-	-	-	-	-	-	-	-	-	-
12.1 -	-	-	-	-	-	-	-	-	-	-
12.2 -	-	-	-	-	-	-	-	-	-	-
12.3 -	-	-	-	-	-	-	-	-	-	-
12.4 -	-	-	-	-	-	-	-	-	-	-
12.5 -	-	-	-	-	-	-	-	-	-	-
12.6 -	-	-	-	-	-	-	-	-	-	-
12.7 -	-	-	-	-	-	-	-	-	-	-
12.8 -	-	-	-	-	-	-	-	-	-	-
12.9 -	-	-	-	-	-	-	-	-	-	-
12.10 -	-	-	-	-	-	-	-	-	-	-
Vote 13 -	-	-	-	-	-	-	-	-	-	-
13.1 -	-	-	-	-	-	-	-	-	-	-
13.2 -	-	-	-	-	-	-	-	-	-	-
13.3 -	-	-	-	-	-	-	-	-	-	-
13.4 -	-	-	-	-	-	-	-	-	-	-
13.5 -	-	-	-	-	-	-	-	-	-	-
13.6 -	-	-	-	-	-	-	-	-	-	-
13.7 -	-	-	-	-	-	-	-	-	-	-
13.8 -	-	-	-	-	-	-	-	-	-	-
13.9 -	-	-	-	-	-	-	-	-	-	-
13.10 -	-	-	-	-	-	-	-	-	-	-
Vote 14 -	-	-	-	-	-	-	-	-	-	-
14.1 -	-	-	-	-	-	-	-	-	-	-
14.2 -	-	-	-	-	-	-	-	-	-	-
14.3 -	-	-	-	-	-	-	-	-	-	-
14.4 -	-	-	-	-	-	-	-	-	-	-
14.5 -	-	-	-	-	-	-	-	-	-	-
14.6 -	-	-	-	-	-	-	-	-	-	-
14.7 -	-	-	-	-	-	-	-	-	-	-
14.8 -	-	-	-	-	-	-	-	-	-	-
14.9 -	-	-	-	-	-	-	-	-	-	-
14.10 -	-	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-
15.1 -	-	-	-	-	-	-	-	-	-	-
15.2 -	-	-	-	-	-	-	-	-	-	-
15.3 -	-	-	-	-	-	-	-	-	-	-
15.4 -	-	-	-	-	-	-	-	-	-	-
15.5 -	-	-	-	-	-	-	-	-	-	-
15.6 -	-	-	-	-	-	-	-	-	-	-
15.7 -	-	-	-	-	-	-	-	-	-	-
15.8 -	-	-	-	-	-	-	-	-	-	-
15.9 -	-	-	-	-	-	-	-	-	-	-
15.10 -	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	839 879	685 491	640 044	797 239	941 117	941 117	941 117	820 142	705 190	850 305
Total Capital Expenditure	839 879	685 491	640 044	797 239	941 117	941 117	941 117	820 142	705 190	850 305

LIM354 Polokwane - Table A6 Budgeted Financial Position

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		301 155	232 670	184 371	295 857	252 951	252 951	252 951	203 646	258 712	311 397
Trade and other receivables from exchange transactions	1	646 204	783 610	700 846	817 952	987 898	987 898	987 898	1 268 167	1 918 575	2 658 767
Receivables from non-exchange transactions	1	246 927	295 294	346 400	65 652	319 146	319 146	319 146	355 905	359 849	364 083
Current portion of non-current receivables		22	18	-	22	-	-	-	-	-	-
Inventory	2	175 678	122 653	93 995	162 099	153 997	153 997	153 997	98 924	103 410	109 033
VAT		137 020	97 011	119 170	462 611	483 341	483 341	483 341	520 008	963 585	1 459 403
Other current assets		30 474	44 333	56 049	48 496	54 568	54 568	54 568	168 007	183 463	200 547
<b>Total current assets</b>		<b>1 537 481</b>	<b>1 575 588</b>	<b>1 500 832</b>	<b>1 852 689</b>	<b>2 251 901</b>	<b>2 251 901</b>	<b>2 251 901</b>	<b>2 614 658</b>	<b>3 787 595</b>	<b>5 103 229</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		1 132 976	961 287	994 131	973 543	994 131	994 131	994 131	994 131	994 131	994 131
Property, plant and equipment	3	12 925 318	12 593 252	14 679 380	13 325 928	15 348 324	15 348 324	15 348 324	15 112 651	15 359 247	15 785 138
Biological assets		13 479	20 785	24 274	20 812	24 274	24 274	24 274	24 274	24 274	24 274
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		21 900	21 868	21 868	21 868	21 868	21 868	21 868	21 868	21 868	21 868
Intangible assets		195 498	38 579	35 094	190 094	35 047	35 047	35 047	35 044	34 992	34 938
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		144	-	-	144	-	-	-	-	-	-
Other non-current assets	1	1	1	1	1	1	1	1	1	1	1
<b>Total non current assets</b>		<b>14 289 316</b>	<b>13 635 772</b>	<b>15 754 747</b>	<b>14 532 390</b>	<b>16 423 644</b>	<b>16 423 644</b>	<b>16 423 644</b>	<b>16 187 969</b>	<b>16 434 513</b>	<b>16 860 350</b>
<b>TOTAL ASSETS</b>		<b>15 826 797</b>	<b>15 211 360</b>	<b>17 255 579</b>	<b>16 385 079</b>	<b>18 675 546</b>	<b>18 675 546</b>	<b>18 675 546</b>	<b>18 802 627</b>	<b>20 222 108</b>	<b>21 963 579</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		29 740	30 803	46 141	5 756	21 053	21 053	21 053	27 778	31 078	34 526
Consumer deposits		68 066	67 346	66 794	67 346	66 794	66 794	66 794	66 794	66 794	66 794
Trade and other payables from exchange transactions	4	828 045	829 063	613 278	857 004	572 742	572 742	572 742	460 656	348 614	267 044
Trade and other payables from non-exchange transactions	5	80 525	155 794	25 756	156 389	26 573	26 573	26 573	26 296	26 820	27 344
Provision		20 665	22 407	9 117	36 897	117 268	117 268	117 268	117 275	117 425	117 582
VAT		115 271	111 377	114 651	537 066	483 711	483 711	483 711	515 626	963 330	1 463 967
Other current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>1 142 313</b>	<b>1 216 789</b>	<b>875 737</b>	<b>1 660 458</b>	<b>1 288 140</b>	<b>1 288 140</b>	<b>1 288 140</b>	<b>1 214 425</b>	<b>1 554 061</b>	<b>1 977 257</b>
<b>Non current liabilities</b>											
Financial liabilities	6	417 702	387 346	352 265	387 498	352 265	352 265	352 265	319 910	288 832	254 306
Provision	7	349 108	340 622	299 567	181 641	191 552	191 552	191 552	192 667	194 879	198 229
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		204 408	188 093	214 847	188 093	214 847	214 847	214 847	214 847	214 847	214 847
<b>Total non current liabilities</b>		<b>971 218</b>	<b>916 062</b>	<b>866 679</b>	<b>757 232</b>	<b>758 664</b>	<b>758 664</b>	<b>758 664</b>	<b>727 424</b>	<b>698 558</b>	<b>667 382</b>
<b>TOTAL LIABILITIES</b>		<b>2 113 530</b>	<b>2 132 851</b>	<b>1 742 416</b>	<b>2 417 691</b>	<b>2 046 804</b>	<b>2 046 804</b>	<b>2 046 804</b>	<b>1 941 850</b>	<b>2 252 619</b>	<b>2 644 639</b>
<b>NET ASSETS</b>		<b>13 713 267</b>	<b>13 078 509</b>	<b>15 513 163</b>	<b>13 967 388</b>	<b>16 628 741</b>	<b>16 628 741</b>	<b>16 628 741</b>	<b>16 860 778</b>	<b>17 969 489</b>	<b>19 318 940</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	6 048 637	5 595 214	5 270 793	6 308 276	6 386 388	6 386 388	6 386 388	6 618 424	7 727 135	9 076 587
Reserves and funds	9	7 661 307	7 483 281	10 242 354	7 659 112	10 242 354	(10 242 354)	10 242 354	10 242 354	10 242 354	10 242 354
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>13 709 943</b>	<b>13 078 495</b>	<b>15 513 147</b>	<b>13 967 388</b>	<b>16 628 741</b>	<b>(3 855 966)</b>	<b>16 628 741</b>	<b>16 860 778</b>	<b>17 969 489</b>	<b>19 318 940</b>

References

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

3 323 15 16 (0) (0) 20 484 707 (0) 0 0 0

LIM354 Polokwane - Table A7 Budgeted Cash Flows

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		428 138	433 538	523 005	529 076	529 076	529 076	529 076	578 163	601 494	631 782
Service charges		1 602 160	1 856 809	2 095 158	2 405 037	2 405 037	2 405 037	2 405 037	2 403 567	2 678 499	2 990 412
Other revenue		148 050	236 547	2 390 445	385 110	404 071	404 071	404 071	144 518	151 743	160 848
Transfers and Subsidies - Operational	1	1 203 831	1 276 125	1 231 726	1 575 705	1 546 089	1 546 089	1 546 089	1 666 130	1 744 744	1 802 510
Transfers and Subsidies - Capital	1	883 555	680 120	659 393	705 105	765 678	765 678	765 678	708 358	644 576	799 694
Interest		4 204	9 427	34 613	20 940	40 940	40 940	40 940	37 399	39 269	41 625
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(296 759)	(2 530 666)	(3 720 463)	(4 608 366)	(4 511 029)	(4 511 029)	(4 511 029)	(4 774 243)	(5 143 165)	(5 547 134)
Interest		-	-	-	(42 309)	(38 509)	(38 509)	(38 509)	(40 588)	(42 658)	(44 791)
Transfers and Subsidies	1	-	-	-	(11 041)	(15 221)	(15 221)	(15 221)	(9 956)	(9 956)	(9 956)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>3 973 179</b>	<b>1 961 900</b>	<b>3 213 877</b>	<b>959 258</b>	<b>1 126 134</b>	<b>1 126 134</b>	<b>1 126 134</b>	<b>713 347</b>	<b>664 545</b>	<b>824 990</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		540	2 791	1 919	-	5	5	5	5	5	5
VAT Control (receipts)		-	-	-	-	-	-	-	112 836	98 114	112 328
Decrease (increase) in non-current receivables		-	(144)	144	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(734 409)	(834 294)	(745 602)	(870 983)	(1 032 471)	(1 032 471)	(1 032 471)	(779 135)	(669 930)	(807 789)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(733 869)</b>	<b>(831 647)</b>	<b>(743 539)</b>	<b>(870 983)</b>	<b>(1 032 465)</b>	<b>(1 032 465)</b>	<b>(1 032 465)</b>	<b>(666 294)</b>	<b>(571 811)</b>	<b>(695 456)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(25 973)	1 063	15 338	(25 088)	(25 088)	(25 088)	(25 088)	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(25 973)</b>	<b>1 063</b>	<b>15 338</b>	<b>(25 088)</b>	<b>(25 088)</b>	<b>(25 088)</b>	<b>(25 088)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>3 213 337</b>	<b>1 131 316</b>	<b>2 485 676</b>	<b>63 187</b>	<b>68 580</b>	<b>68 580</b>	<b>68 580</b>	<b>47 054</b>	<b>92 734</b>	<b>129 534</b>
Cash/cash equivalents at the year begin:	2	-	301 154	232 670	232 670	184 371	184 371	184 371	184 371	231 425	324 159
Cash/cash equivalents at the year end:	2	3 213 337	1 432 470	2 718 346	295 857	252 951	252 951	252 951	231 425	324 159	453 692

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	3 213 337	1 432 470	2 718 346	295 857	252 951	252 951	252 951	231 425	324 159	453 692
Other current investments > 90 days		(2 912 182)	(1 199 800)	(2 533 975)	(0)	0	0	0	(27 778)	(65 446)	(142 295)
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>301 155</b>	<b>232 670</b>	<b>184 371</b>	<b>295 857</b>	<b>252 951</b>	<b>252 951</b>	<b>252 951</b>	<b>203 646</b>	<b>258 712</b>	<b>311 397</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		80 525	155 781	25 714	155 781	25 772	25 772	25 772	25 772	25 772	25 772
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(214 667)	14 367	(4 519)	74 455	369	369	369	(4 383)	(255)	4 563
Other working capital requirements	3	828 045	829 063	613 278	857 004	572 742	572 742	572 742	460 656	348 614	267 044
Other provisions		20 665	22 407	9 117	36 897	117 268	117 268	117 268	117 275	117 425	117 582
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>714 568</b>	<b>1 021 617</b>	<b>643 590</b>	<b>1 124 137</b>	<b>716 151</b>	<b>716 151</b>	<b>716 151</b>	<b>599 320</b>	<b>491 556</b>	<b>414 961</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(413 414)</b>	<b>(788 947)</b>	<b>(459 218)</b>	<b>(828 281)</b>	<b>(463 200)</b>	<b>(463 200)</b>	<b>(463 200)</b>	<b>(395 674)</b>	<b>(232 843)</b>	<b>(103 564)</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(413 414)</b>	<b>(788 947)</b>	<b>(459 218)</b>	<b>(828 281)</b>	<b>(463 200)</b>	<b>(463 200)</b>	<b>(463 200)</b>	<b>(395 674)</b>	<b>(232 843)</b>	<b>(103 564)</b>

References

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

Other working capital requirements

Debtors	-	-	-	-	-	-	-	-	-	-
Creditors due	828 045	829 063	613 278	857 004	572 742	572 742	572 742	460 656	348 614	267 044
<b>Total</b>	<b>(828 045)</b>	<b>(829 063)</b>	<b>(613 278)</b>	<b>(857 004)</b>	<b>(572 742)</b>	<b>(572 742)</b>	<b>(572 742)</b>	<b>(460 656)</b>	<b>(348 614)</b>	<b>(267 044)</b>

Debtors collection assumptions

Balance outstanding - debtors	893 298	1 078 922	1 047 246	883 770	1 307 043	1 307 043	1 307 043	1 624 072	2 278 424	3 022 849
Estimate of debtors collection rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Long term investments committed

Balance (Insert description; eg sinking fund)

Reserves to be backed by cash/investments

Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Capital replacement	-	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-	-
Compensation for Occupational Injuries and Diseases	-	-	-	-	-	-	-	-	-	-
Employee Benefit reserve	-	-	-	-	-	-	-	-	-	-
Non-current Provisions reserve	-	-	-	-	-	-	-	-	-	-
Valuation roll reserve	-	-	-	-	-	-	-	-	-	-
Investment in associate account	-	-	-	-	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-	-	-	-	-
<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note:

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



LIM354 Polokwane - Table A9 Asset Management

Description	####	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	588 033	426 436	493 893	668 003	795 989	795 989	646 031	565 020	703 398
<i>Roads Infrastructure</i>		64 698	112 005	33 791	78 580	70 855	70 855	77 366	50 330	51 191
<i>Storm water Infrastructure</i>		-	2 142	14 953	12 594	10 165	10 165	17 842	4 632	-
<i>Electrical Infrastructure</i>		45 519	41 449	63 514	87 443	70 011	70 011	52 533	47 288	30 108
<i>Water Supply Infrastructure</i>		194 289	132 863	166 845	187 281	246 582	246 582	225 743	131 134	142 606
<i>Sanitation Infrastructure</i>		85 037	36 576	127 262	105 167	219 283	219 283	55 222	135 225	222 182
<i>Solid Waste Infrastructure</i>		830	699	-	6 087	6 087	6 087	20 442	33 035	34 561
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		91	-	-	249	(0)	(0)	958	899	1 200
<b>Infrastructure</b>		<b>390 465</b>	<b>325 734</b>	<b>406 364</b>	<b>477 400</b>	<b>622 983</b>	<b>622 983</b>	<b>450 106</b>	<b>402 542</b>	<b>481 848</b>
Community Facilities		84 664	29 199	31 486	73 699	53 903	53 903	63 799	42 897	59 478
Sport and Recreation Facilities		34 307	27 238	11 919	20 024	26 024	26 024	43 214	49 485	47 939
<b>Community Assets</b>		<b>118 971</b>	<b>56 437</b>	<b>43 405</b>	<b>93 724</b>	<b>79 927</b>	<b>79 927</b>	<b>107 013</b>	<b>92 382</b>	<b>107 417</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	50	-	-
Revenue Generating		-	2 265	1 461	10 505	18 048	18 048	17 539	19 634	35 346
Non-revenue Generating		-	-	4 127	1 108	1 108	1 108	-	934	457
<b>Investment properties</b>		-	<b>2 265</b>	<b>5 588</b>	<b>11 614</b>	<b>19 157</b>	<b>19 157</b>	<b>17 539</b>	<b>20 567</b>	<b>35 803</b>
Operational Buildings		1 158	248	1 017	2 173	1 691	1 691	461	1 502	6 991
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>1 158</b>	<b>248</b>	<b>1 017</b>	<b>2 173</b>	<b>1 691</b>	<b>1 691</b>	<b>461</b>	<b>1 502</b>	<b>6 991</b>
<b>Biological or Cultivated Assets</b>		-	-	406	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	91	94	-	-	-	-	-	-
<b>Intangible Assets</b>		-	<b>91</b>	<b>94</b>	-	-	-	-	-	-
Computer Equipment		12 929	2 668	11 697	466	2 557	2 557	2 006	1 597	1 813
Furniture and Office Equipment		1 162	3 486	1 538	469	469	469	500	750	816
Machinery and Equipment		9 205	3 731	7 368	10 864	10 823	10 823	16 550	14 700	18 570
Transport Assets		54 143	31 774	16 415	71 293	58 382	58 382	51 807	30 980	50 140
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	<b>(204 207)</b>	<b>(201 749)</b>	<b>(158 358)</b>	<b>(59 100)</b>	<b>2 750</b>	<b>2 750</b>	<b>(4 461)</b>	<b>62 863</b>	<b>53 446</b>
<i>Roads Infrastructure</i>		11	(10 447)	(98 435)	(67 819)	(11 059)	(11 059)	(33 822)	33 635	27 894
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	0	(1 029)	121	(1)	(1)	-	-	-
<i>Water Supply Infrastructure</i>		-	-	32	-	-	-	20 392	5 182	12 791
<i>Sanitation Infrastructure</i>		-	(190 079)	437	-	(1 811)	(1 811)	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>11</b>	<b>(200 526)</b>	<b>(98 994)</b>	<b>(67 698)</b>	<b>(12 872)</b>	<b>(12 872)</b>	<b>(13 431)</b>	<b>38 817</b>	<b>40 685</b>
Community Facilities		(203 506)	506	(58 761)	1	8 130	8 130	(0)	2 282	7 902
Sport and Recreation Facilities		-	-	(136)	5 347	(13 256)	(13 256)	1 612	2 010	4 316
<b>Community Assets</b>		<b>(203 506)</b>	<b>506</b>	<b>(58 897)</b>	<b>5 348</b>	<b>(5 125)</b>	<b>(5 125)</b>	<b>1 612</b>	<b>4 292</b>	<b>12 217</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		(712)	(1 730)	(467)	3 250	20 747	20 747	7 357	19 754	543
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>(712)</b>	<b>(1 730)</b>	<b>(467)</b>	<b>3 250</b>	<b>20 747</b>	<b>20 747</b>	<b>7 357</b>	<b>19 754</b>	<b>543</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

<b>Total Upgrading of Existing Assets</b>	6	754 024	(1 830)	297 430	(44 007)	(72 829)	(72 829)	73 552	141 773	44 365
<i>Roads Infrastructure</i>		647 068	2 457	312 350	(48 136)	16 754	16 754	30 172	15 251	21 712
<i>Storm water Infrastructure</i>		-	-	(0)	6 138	(67 300)	(67 300)	16 308	50 323	156
<i>Electrical Infrastructure</i>		-	66	-	-	-	-	2 349	-	55
<i>Water Supply Infrastructure</i>		(5 528)	535	(16 267)	(0)	(3 340)	(3 340)	(0)	1 530	13 043
<i>Sanitation Infrastructure</i>		7	(1 683)	-	-	-	-	4 019	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		2	(6)	70	414	(25 115)	(25 115)	489	1 505	1 291
<b>Infrastructure</b>		<b>641 549</b>	<b>1 369</b>	<b>296 153</b>	<b>(41 585)</b>	<b>(79 001)</b>	<b>(79 001)</b>	<b>53 336</b>	<b>68 609</b>	<b>36 257</b>
Community Facilities		(374)	(2 227)	-	(1 192)	10	10	10 092	59 940	6 854
Sport and Recreation Facilities		(142)	(33)	-	74	4 858	4 858	6 952	2 614	828
<b>Community Assets</b>		<b>(516)</b>	<b>(2 260)</b>	<b>-</b>	<b>(1 118)</b>	<b>4 868</b>	<b>4 868</b>	<b>17 044</b>	<b>62 554</b>	<b>7 682</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		112 991	(939)	1 277	(1 304)	1 304	1 304	3 172	10 610	426
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>112 991</b>	<b>(939)</b>	<b>1 277</b>	<b>(1 304)</b>	<b>1 304</b>	<b>1 304</b>	<b>3 172</b>	<b>10 610</b>	<b>426</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure</b>	4	<b>1 137 850</b>	<b>222 856</b>	<b>632 965</b>	<b>564 896</b>	<b>725 910</b>	<b>725 910</b>	<b>715 122</b>	<b>769 655</b>	<b>801 210</b>
<i>Roads Infrastructure</i>		711 777	104 015	247 706	(37 375)	76 550	76 550	73 715	99 216	100 798
<i>Storm water Infrastructure</i>		-	2 142	14 953	18 732	(57 135)	(57 135)	34 150	54 955	156
<i>Electrical Infrastructure</i>		45 519	41 516	62 485	87 564	70 010	70 010	54 882	47 288	30 162
<i>Water Supply Infrastructure</i>		188 761	133 398	150 611	187 280	243 242	243 242	246 135	137 846	168 441
<i>Sanitation Infrastructure</i>		85 044	(155 186)	127 699	105 167	217 471	217 471	59 241	135 225	222 182
<i>Solid Waste Infrastructure</i>		830	699	-	6 087	6 087	6 087	20 442	33 035	34 561
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		94	(6)	70	663	(25 115)	(25 115)	1 447	2 403	2 491
<b>Infrastructure</b>		<b>1 032 025</b>	<b>126 578</b>	<b>603 523</b>	<b>368 118</b>	<b>531 110</b>	<b>531 110</b>	<b>490 012</b>	<b>509 968</b>	<b>558 791</b>
Community Facilities		(119 217)	27 478	(27 275)	72 508	62 043	62 043	73 891	105 119	74 233
Sport and Recreation Facilities		34 165	27 205	11 783	25 445	17 626	17 626	51 778	54 109	53 083
<b>Community Assets</b>		<b>(85 052)</b>	<b>54 683</b>	<b>(15 492)</b>	<b>97 953</b>	<b>79 669</b>	<b>79 669</b>	<b>125 669</b>	<b>159 228</b>	<b>127 316</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	2 265	1 461	10 505	18 048	18 048	17 539	19 634	35 346
Non-revenue Generating		-	-	4 127	1 108	1 108	1 108	-	934	457
<b>Investment properties</b>		<b>-</b>	<b>2 265</b>	<b>5 588</b>	<b>11 614</b>	<b>19 157</b>	<b>19 157</b>	<b>17 539</b>	<b>20 567</b>	<b>35 803</b>
Operational Buildings		113 437	(2 421)	1 827	4 119	23 742	23 742	10 990	31 866	7 960
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>113 437</b>	<b>(2 421)</b>	<b>1 827</b>	<b>4 119</b>	<b>23 742</b>	<b>23 742</b>	<b>10 990</b>	<b>31 866</b>	<b>7 960</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	91	94	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>91</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>		<b>12 929</b>	<b>2 668</b>	<b>11 697</b>	<b>466</b>	<b>2 557</b>	<b>2 557</b>	<b>2 006</b>	<b>1 597</b>	<b>1 813</b>
<b>Furniture and Office Equipment</b>		<b>1 162</b>	<b>3 486</b>	<b>1 538</b>	<b>469</b>	<b>469</b>	<b>469</b>	<b>500</b>	<b>750</b>	<b>816</b>
<b>Machinery and Equipment</b>		<b>9 205</b>	<b>3 731</b>	<b>7 368</b>	<b>10 864</b>	<b>10 823</b>	<b>10 823</b>	<b>16 550</b>	<b>14 700</b>	<b>18 570</b>
<b>Transport Assets</b>		<b>54 143</b>	<b>31 774</b>	<b>16 415</b>	<b>71 293</b>	<b>58 382</b>	<b>58 382</b>	<b>51 807</b>	<b>30 980</b>	<b>50 140</b>
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>1 137 850</b>	<b>222 856</b>	<b>632 965</b>	<b>564 896</b>	<b>725 910</b>	<b>725 910</b>	<b>715 122</b>	<b>769 655</b>	<b>801 210</b>

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>12 300 769</b>	<b>11 576 585</b>	<b>13 424 533</b>	<b>11 699 402</b>	<b>13 246 122</b>	<b>13 246 122</b>	<b>13 154 561</b>	<b>12 777 372</b>	<b>12 460 238</b>
<i>Roads Infrastructure</i>		2 967 203	3 110 333	3 970 405	3 087 089	3 874 998	3 874 998	3 792 823	3 594 636	3 375 011
<i>Storm water Infrastructure</i>		434 630	418 917	1 335 030	443 759	1 324 590	1 324 590	1 324 026	1 312 461	1 300 317
<i>Electrical Infrastructure</i>		1 453 832	961 219	458 565	952 985	445 569	445 569	444 846	430 427	415 287
<i>Water Supply Infrastructure</i>		2 024 056	2 039 906	2 058 167	2 030 136	2 055 899	2 055 899	2 065 038	2 066 204	2 064 525
<i>Sanitation Infrastructure</i>		1 063 906	1 063 906	1 070 676	1 054 712	1 061 482	1 061 482	1 060 985	1 050 800	1 040 105
<i>Solid Waste Infrastructure</i>		72 167	72 167	71 671	37 318	27 257	27 257	22 913	(18 193)	(74 472)
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		20 209	20 209	20 618	19 340	19 749	19 749	19 702	18 740	17 729
<b>Infrastructure</b>		<b>8 036 002</b>	<b>7 686 657</b>	<b>8 985 133</b>	<b>7 625 340</b>	<b>8 809 544</b>	<b>8 809 544</b>	<b>8 730 333</b>	<b>8 455 074</b>	<b>8 138 503</b>
<b>Community Assets</b>		2 051 997	1 994 980	2 333 446	1 979 539	2 299 896	2 299 896	2 291 198	2 213 956	2 186 885
<b>Heritage Assets</b>		21 900	21 868	21 868	21 868	21 868	21 868	21 868	21 868	21 868
<b>Investment properties</b>		1 132 976	961 287	994 131	973 543	994 131	994 131	994 131	994 131	994 131
<b>Other Assets</b>		214 246	214 246	425 906	213 990	425 603	425 603	424 564	423 354	421 974
<b>Biological or Cultivated Assets</b>		13 479	20 785	24 274	20 812	24 274	24 274	24 274	24 274	24 274
<b>Intangible Assets</b>		195 498	38 579	35 094	190 094	35 047	35 047	35 044	34 992	34 938
<b>Computer Equipment</b>		12 867	13 707	13 649	2 404	14 402	14 402	12 929	11 062	9 867
<b>Furniture and Office Equipment</b>		15 383	11 884	6 600	7 865	(308)	(308)	(3 733)	(14 392)	(25 295)
<b>Machinery and Equipment</b>		44 892	42 072	44 145	48 524	52 657	52 657	77 099	83 186	112 229
<b>Transport Assets</b>		197 815	205 660	188 783	251 709	217 502	217 502	195 348	178 361	189 360
<b>Land</b>		363 714	364 861	351 505	363 714	351 505	351 505	351 505	351 505	351 505
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>12 300 769</b>	<b>11 576 585</b>	<b>13 424 533</b>	<b>11 699 402</b>	<b>13 246 122</b>	<b>13 246 122</b>	<b>13 154 561</b>	<b>12 777 372</b>	<b>12 460 238</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>1 484 886</b>	<b>1 645 775</b>	<b>1 466 568</b>	<b>964 286</b>	<b>1 014 666</b>	<b>1 014 666</b>	<b>1 175 761</b>	<b>1 302 269</b>	<b>1 389 523</b>
<b>Depreciation</b>	7	887 679	762 176	723 166	272 220	272 220	272 220	386 920	453 359	497 571
<b>Repairs and Maintenance by Asset Class</b>	3	<b>597 207</b>	<b>883 598</b>	<b>743 402</b>	<b>692 066</b>	<b>742 446</b>	<b>742 446</b>	<b>788 841</b>	<b>848 910</b>	<b>891 953</b>
<i>Roads Infrastructure</i>		73 227	260 196	116 581	72 469	93 996	93 996	103 984	113 918	116 215
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		108 569	132 170	127 509	144 343	141 622	141 622	158 038	172 897	182 047
<i>Water Supply Infrastructure</i>		185 421	222 507	223 147	186 411	194 966	194 966	203 732	217 218	233 572
<i>Sanitation Infrastructure</i>		10 627	18 537	34 353	16 716	16 716	16 716	16 763	17 618	18 499
<i>Solid Waste Infrastructure</i>		79 037	87 308	84 229	55 657	79 757	79 757	81 064	90 198	94 708
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>456 881</b>	<b>720 717</b>	<b>585 819</b>	<b>475 596</b>	<b>527 057</b>	<b>527 057</b>	<b>563 581</b>	<b>611 850</b>	<b>645 042</b>
Community Facilities		9 487	11 810	14 334	22 405	22 350	22 350	23 603	24 806	26 047
Sport and Recreation Facilities		30 869	36 186	35 421	40 727	37 087	37 087	39 424	41 612	43 880
<b>Community Assets</b>		<b>40 356</b>	<b>47 995</b>	<b>49 755</b>	<b>63 132</b>	<b>59 437</b>	<b>59 437</b>	<b>63 027</b>	<b>66 418</b>	<b>69 927</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		42 305	44 553	33 482	52 918	46 189	46 189	51 392	55 222	58 149
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>42 305</b>	<b>44 553</b>	<b>33 482</b>	<b>52 918</b>	<b>46 189</b>	<b>46 189</b>	<b>51 392</b>	<b>55 222</b>	<b>58 149</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		10 105	11 686	7 991	10 766	10 766	10 766	10 859	11 413	11 984
<b>Intangible Assets</b>		<b>10 105</b>	<b>11 686</b>	<b>7 991</b>	<b>10 766</b>	<b>10 766</b>	<b>10 766</b>	<b>10 859</b>	<b>11 413</b>	<b>11 984</b>
<b>Computer Equipment</b>		<b>4 045</b>	<b>6 990</b>	<b>7 048</b>	<b>8 005</b>	<b>7 005</b>	<b>7 005</b>	<b>7 383</b>	<b>7 760</b>	<b>9 148</b>
<b>Furniture and Office Equipment</b>		<b>8 827</b>	<b>9 283</b>	<b>9 352</b>	<b>9 756</b>	<b>18 256</b>	<b>18 256</b>	<b>16 742</b>	<b>17 596</b>	<b>18 476</b>
<b>Machinery and Equipment</b>		-	-	-	476	476	476	502	527	554
<b>Transport Assets</b>		<b>34 688</b>	<b>42 374</b>	<b>49 956</b>	<b>71 416</b>	<b>73 260</b>	<b>73 260</b>	<b>75 355</b>	<b>78 124</b>	<b>78 674</b>
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>1 484 886</b>	<b>1 645 775</b>	<b>1 466 568</b>	<b>964 286</b>	<b>1 014 666</b>	<b>1 014 666</b>	<b>1 175 761</b>	<b>1 302 269</b>	<b>1 389 523</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		48.3%	-91.4%	22.0%	-18.3%	-9.7%	-9.7%	9.7%	26.6%	12.2%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		61.9%	-26.7%	19.2%	-37.9%	-25.7%	-25.7%	17.9%	45.1%	19.7%
<b>R&amp;M as a % of PPE</b>		4.9%	7.6%	5.5%	5.9%	5.6%	5.6%	6.0%	6.6%	7.1%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		9.4%	5.8%	6.6%	5.0%	5.0%	5.0%	6.5%	8.2%	7.9%

LIM354 Polokwane - Table A10 Basic service delivery measurement

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		3 824	22 433	4 905	79 668	79 668	79 668	74 928	77 925	81 821
Water (in excess of 6 kilolitres per indigent household per month)		59 354	6 061	2	51 441	51 441	51 441	56 070	61 677	67 845
Sanitation (in excess of free sanitation service to indigent households)		-	4 423	2 859	40 733	40 733	40 733	43 177	45 336	48 056
Electricity/other energy (in excess of 50 kwh per indigent household per month)		30 738	21 947	92	65 752	65 757	65 757	71 333	80 606	91 085
Refuse (in excess of one removal a week for indigent households)		5 270	8 475	-	34 149	34 149	34 149	36 197	38 007	40 288
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	99 186	63 339	7 857	271 742	271 746	271 746	281 705	303 552	329 095

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

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>											
Total Property Rates	6	472 799	550 482	578 246	702 110	702 110	702 110	702 110	716 044	744 686	781 920
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		3 824	22 433	4 905	79 668	79 668	79 668	79 668	74 928	77 925	81 821
<b>Net Property Rates</b>		<b>468 974</b>	<b>528 049</b>	<b>573 341</b>	<b>622 442</b>	<b>622 442</b>	<b>622 442</b>	<b>622 442</b>	<b>641 116</b>	<b>666 760</b>	<b>700 098</b>
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>											
Total Service charges - Electricity	6	1 074 083	1 239 795	1 180 297	1 886 353	1 886 358	1 886 358	1 886 358	2 055 788	2 323 040	2 625 035
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		30 738	21 947	92	65 752	65 757	65 757	65 757	71 333	80 606	91 085
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Electricity</b>		<b>1 043 345</b>	<b>1 217 849</b>	<b>1 180 206</b>	<b>1 820 601</b>	<b>1 820 601</b>	<b>1 820 601</b>	<b>1 820 601</b>	<b>1 984 455</b>	<b>2 242 434</b>	<b>2 533 950</b>
<b>Service charges - Water</b>											
Total Service charges - Water	6	300 006	294 458	264 636	402 277	402 277	402 277	402 277	438 481	482 330	530 563
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		59 354	6 061	2	51 441	51 441	51 441	51 441	56 070	61 677	67 845
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Water</b>		<b>240 651</b>	<b>288 397</b>	<b>264 634</b>	<b>350 836</b>	<b>350 836</b>	<b>350 836</b>	<b>350 836</b>	<b>382 411</b>	<b>420 652</b>	<b>462 718</b>
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management	6	162 380	167 570	159 069	188 052	188 052	188 052	188 052	199 335	209 301	221 859
Less Revenue Foregone (in excess of free sanitation service to indigent households)		-	4 423	2 859	40 733	40 733	40 733	40 733	43 177	45 336	48 056
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Water Management</b>		<b>162 380</b>	<b>163 147</b>	<b>156 210</b>	<b>147 319</b>	<b>147 319</b>	<b>147 319</b>	<b>147 319</b>	<b>156 158</b>	<b>163 966</b>	<b>173 804</b>
<b>Service charges - Waste Management</b>											
Total refuse removal revenue	6	141 582	154 281	141 795	175 789	175 789	175 789	175 789	186 336	195 653	207 392
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		5 270	8 475	-	34 149	34 149	34 149	34 149	36 197	38 007	40 288
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Management</b>		<b>136 312</b>	<b>145 806</b>	<b>141 795</b>	<b>141 640</b>	<b>141 640</b>	<b>141 640</b>	<b>141 640</b>	<b>150 139</b>	<b>157 646</b>	<b>167 104</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	556 657	569 776	568 986	732 368	627 182	627 182	627 182	807 870	842 987	901 577
Pension and UIF Contributions		107 935	111 650	113 877	171 759	160 002	160 002	160 002	186 289	196 714	207 539
Medical Aid Contributions		39 804	42 518	45 207	50 376	49 749	49 749	49 749	56 394	59 550	62 823
Overtime		92 771	98 665	120 437	82 068	99 656	99 656	99 656	57 280	60 430	63 754
Performance Bonus		42 985	43 992	45 606	80 544	56 927	56 927	56 927	86 437	91 280	96 299
Motor Vehicle Allowance		50 449	55 283	60 257	69 979	66 334	66 334	66 334	80 105	84 582	89 226
Cellphone Allowance		225	163	96	149	159	159	159	145	153	161
Housing Allowances		11 178	16 609	7 986	10 792	8 915	8 915	8 915	11 528	12 171	12 838
Other benefits and allowances		12 932	13 538	27 812	11 493	25 162	25 162	25 162	8 302	8 767	9 249
Payments in lieu of leave		29 700	22 792	23 869	20 213	34 442	34 442	34 442	20 360	21 499	22 681
Long service awards		(167)	4 652	5 286	14 567	8 318	8 318	8 318	10 349	10 928	11 529
Post-retirement benefit obligations	4	25 106	43 454	47 029	8 000	7 370	7 370	7 370	6 500	6 864	7 242
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		3 626	3 658	5 568	6 646	9 439	9 439	9 439	9 589	10 125	10 681
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>973 200</b>	<b>1 026 750</b>	<b>1 072 016</b>	<b>1 258 954</b>	<b>1 153 655</b>	<b>1 153 655</b>	<b>1 153 655</b>	<b>1 341 147</b>	<b>1 406 049</b>	<b>1 495 599</b>
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	<b>973 200</b>	<b>1 026 750</b>	<b>1 072 016</b>	<b>1 258 954</b>	<b>1 153 655</b>	<b>1 153 655</b>	<b>1 153 655</b>	<b>1 341 147</b>	<b>1 406 049</b>	<b>1 495 599</b>

<b>Depreciation and amortisation</b>											
	Depreciation of Property, Plant & Equipment	883 254	762 035	719 586	272 173	272 173	272 173	272 173	386 871	453 307	497 516
	Lease amortisation	4 426	142	3 580	47	47	47	47	49	52	54
	Capital asset impairment	4 576	18 528	31 149	-	-	-	-	-	-	-
	<b>Total Depreciation and amortisation</b>	<b>892 255</b>	<b>780 704</b>	<b>754 315</b>	<b>272 220</b>	<b>272 220</b>	<b>272 220</b>	<b>272 220</b>	<b>386 920</b>	<b>453 359</b>	<b>497 571</b>
<b>Bulk purchases - electricity</b>											
	Electricity bulk purchases	765 101	878 180	856 611	1 162 130	1 153 687	1 153 687	1 153 687	1 303 666	1 473 143	1 664 651
	<b>Total bulk purchases</b>	<b>765 101</b>	<b>878 180</b>	<b>856 611</b>	<b>1 162 130</b>	<b>1 153 687</b>	<b>1 153 687</b>	<b>1 153 687</b>	<b>1 303 666</b>	<b>1 473 143</b>	<b>1 664 651</b>
<b>Transfers and grants</b>											
	Cash transfers and grants	66 558	45 240	9 671	11 622	16 022	16 022	13 519	10 480	10 480	10 480
	Non-cash transfers and grants	61 153	-	-	-	-	-	-	-	-	-
	<b>Total transfers and grants</b>	<b>127 711</b>	<b>45 240</b>	<b>9 671</b>	<b>11 622</b>	<b>16 022</b>	<b>16 022</b>	<b>13 519</b>	<b>10 480</b>	<b>10 480</b>	<b>10 480</b>
<b>Contracted Services</b>											
	Outsourced Services	354 440	345 485	311 399	293 776	357 624	357 624	357 624	373 773	385 396	406 450
	Consultants and Professional Services	245 577	389 762	282 304	286 537	279 119	279 119	279 119	331 862	347 078	364 506
	Contractors	174 265	269 066	244 184	259 679	289 146	289 146	289 146	272 773	300 133	314 330
	<b>Total contracted services</b>	<b>774 282</b>	<b>1 004 313</b>	<b>837 888</b>	<b>839 992</b>	<b>925 889</b>	<b>925 889</b>	<b>925 889</b>	<b>978 409</b>	<b>1 032 607</b>	<b>1 085 286</b>
<b>Operational Costs</b>											
	Collection costs	0	(0)	160	0	0	0	0	0	0	0
	Contributions to 'other' provisions	772	-	(8 177)	135	135	135	135	143	150	157
	Audit fees	13 839	15 140	16 190	16 000	16 000	16 000	16 000	16 864	18 804	20 745
	Other Operational Costs	202 438	224 420	250 172	292 228	373 547	373 547	373 547	396 972	414 703	434 458
	<b>Total Operational Costs</b>	<b>217 049</b>	<b>239 560</b>	<b>258 345</b>	<b>308 363</b>	<b>389 683</b>	<b>389 683</b>	<b>389 683</b>	<b>413 979</b>	<b>433 658</b>	<b>455 360</b>
<b>Repairs and Maintenance by Expenditure Item</b>											
	Employee related costs	209 530	233 064	252 771	277 993	252 191	252 191	252 191	289 206	303 321	320 054
	Inventory Consumed (Project Maintenance)	49 195	46 126	46 456	39 682	47 537	47 537	47 537	47 113	66 471	69 794
	Contracted Services	329 935	589 063	433 681	350 062	419 367	419 367	419 367	425 915	452 889	475 660
	Operational Costs	8 547	15 345	10 494	24 328	23 352	23 352	23 352	26 606	26 229	26 444
	<b>Total Repairs and Maintenance Expenditure</b>	<b>597 207</b>	<b>883 598</b>	<b>743 402</b>	<b>692 066</b>	<b>742 446</b>	<b>742 446</b>	<b>742 446</b>	<b>788 841</b>	<b>848 910</b>	<b>891 953</b>
<b>Inventory Consumed</b>											
	Inventory Consumed - Water	147 684	171 830	153 773	253 732	208 689	208 689	208 689	220 442	231 685	243 289
	Inventory Consumed - Other	59 521	85 462	85 972	82 752	105 852	105 852	105 852	108 071	131 535	138 110
	<b>Total Inventory Consumed &amp; Other Material</b>	<b>207 204</b>	<b>257 292</b>	<b>239 744</b>	<b>336 483</b>	<b>314 542</b>	<b>314 542</b>	<b>314 542</b>	<b>328 513</b>	<b>363 220</b>	<b>381 379</b>

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

Description	###	Vote 1 - Chief operations office	Vote 2 - Municipal managers office	Vote 3 - Water and sanitation	Vote 4 - Energy services	Vote 5 - Community Services	Vote 6 - Public safety	Vote 7 - Corporate and Shared Services	Vote 8 - Planning and Economic Development	Vote 9 - Budget and Treasury office	Vote 10 - Transport Operations	Vote 11 - Human Settlement	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
<b>Revenue</b>		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>Exchange Revenue</b>																	
Service charges - Electricity					1 984 455												1 984 455
Service charges - Water				382 411													382 411
Service charges - Waste Water Management				156 158													156 158
Service charges - Waste Management						150 139											150 139
Sale of Goods and Rendering of Services						2 492	1 958	8	7 790	77	2 304	273					14 902
Agency services											33 467						33 467
Interest																	-
Interest earned from Receivables				33 004	47 179	9 376				4 200							93 759
Interest earned from Current and Non Current Assets										42 987							42 987
Dividends																	-
Rent on Land																	-
Rental from Fixed Assets						2 641	4	2 144	5 419			2 929					13 137
Licence and permits							14 263			1 000							15 263
Operational Revenue		5	2	4	7	262	227	3 514	15 447	21 438	80	7					40 993
<b>Non-Exchange Revenue</b>																	
Property rates										641 116							641 116
Surcharges and Taxes																	-
Fines, penalties and forfeits				171	7 819	173	35 949			39							44 152
Licences or permits								3									3
Transfer and subsidies - Operational		12 281		20 975	191	2 000	2 200		13 011	1 421 800	193 672						1 666 130
Interest										23 440							23 440
Fuel Levy																	-
Operational Revenue																	-
Gains on disposal of Assets																	-
Other Gains																	-
Discontinued Operations																	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		12 285	2	592 723	2 039 650	167 083	54 604	5 667	41 667	2 156 097	229 524	3 208					5 302 511
<b>Expenditure</b>																	
Employee related costs		100 830	28 102	172 638	114 682	231 033	274 664	125 166	83 162	118 412	68 845	23 611					1 341 147
Remuneration of councillors			47 455														47 455
Bulk purchases - electricity					1 303 666												1 303 666
Inventory consumed		3 729	205	260 229	23 945	14 770	8 374	3 468	800	3 390	9 476	127					328 513
Debt impairment				26 250	95 935	7 464				32 799							162 447
Depreciation and amortisation		270	1 809	68 355	16 858	73 047	6 910	13 112	10 216	818	194 306	1 219					386 920
Interest									2 232	40 493							42 724
Contracted services		33 614	11 432	133 235	55 279	113 108	99 747	109 064	14 072	168 837	239 085	936					978 409
Transfers and subsidies			10 480														10 480
Irrecoverable debts written off				37 342	12 447	12 447				62 237							124 473
Operational costs		21 788	20 931	28 233	28 325	59 767	14 795	99 560	12 844	114 603	12 236	896					413 979
Losses on disposal of Assets																	-
Other Losses																	-
<b>Total Expenditure</b>		160 231	120 414	726 282	1 651 138	511 636	404 490	352 602	121 094	541 589	523 948	26 789					5 140 213
<b>Surplus/(Deficit)</b>		(147 945)	(120 412)	(133 559)	388 513	(344 553)	(349 886)	(346 935)	(79 427)	1 614 508	(294 424)	(23 581)					162 298
Transfers and subsidies - capital (monetary allocations)				290 778	12 573	69 905	8 481		17 657		308 964						708 358
Transfers and subsidies - capital (in-kind)																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(147 945)	(120 412)	157 219	401 086	(274 648)	(341 405)	(346 935)	(61 770)	1 614 508	14 540	(23 581)					870 656





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

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	-	-	-

References

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

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

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
Allocations to other priorities												
<b>Total Expenditure</b>				1	-	-	-	-	-	-	-	-

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

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

check op expenditure balance

(4 315 312) (4 998 309) (5 106 987) (4 550 034) (4 583 348) (4 583 348) (5 140 213) (5 569 083) (6 006 974)

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

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
<b>Allocations to other priorities</b>				3								
<b>Total Capital Expenditure</b>				1	-	-	-	-	-	-	-	-

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective  
check capital balance

(839 879)      (685 491)      (640 044)      (797 239)      (941 117)      (941 117)      (820 142)      (705 190)      (850 305)




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











LIM354 Polokwane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.3	1.3	1.7	1.1	1.7	1.7	1.7	2.2	2.4	2.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	1.3	1.3	1.7	1.1	1.7	1.7	1.7	2.2	2.4	2.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.8	1.0	0.7	1.0	1.0	1.0	1.2	1.4	1.5
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	275.3%	263.6%	368.3%	310.6%	310.6%	310.6%	249.9%	150.6%	82.4%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration	Total remuneration/(Total Revenue - capital	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 excluding capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating	387.8	116.4	199.2	120.8	120.6	120.6	132.0	135.0	137.8	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed	-	-	-	-	-	-	-	-	-	-

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	240 432	270 918	255 757	324 242	314 208	314 208	314 000	348 610	375 565	405 833	
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
Own capex	147 518	165 750	107 860	184 104	275 310	275 310	275 310	204 178	144 689	154 918	
Borrowing	-	-	-	-	-	-	-	-	-	-	

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

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>	Ref										
Population											
Females aged 5 - 14											
Males aged 5 - 14											
Females aged 15 - 34											
Males aged 15 - 34											
Unemployment											
<b>Monthly household income (no. of households)</b>	1, 12										
No income											
R1 - R1 600											
R1 601 - R3 200											
R3 201 - R5 400											
R5 401 - R12 800											
R12 801 - R25 600											
R25 601 - R51 200											
R51 201 - R102 400											
R102 401 - R204 800											
R204 801 - R409 600											
R409 601 - R819 200											
> R819 200											
<b>Poverty profiles (no. of households)</b>	13										
< R5 500 per household per month											
Insert description	2										
<b>Household demographics (000)</b>											
Number of people in municipal area											
Number of poor people in municipal area											
Number of households in municipal area											
Number of poor households in municipal area											
Definition of poor household (R per month)											
<b>Housing statistics</b>	3										
Formal											
Informal											
<b>Total number of households</b>											
Dwellings provided by municipality	4										
Dwellings provided by provincials											
Dwellings provided by private sector	5										
<b>Total new housing dwellings</b>											
<b>Economic</b>	6										
Inflation/inflation outlook (CPI)											
Interest rate - borrowing											
Interest rate - investment											
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
<b>Collection rates</b>	7										
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											



Municipal entity services		Ref.	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Name of municipal entity		Household service targets (000)									
		<b>Water:</b>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total									
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total									
		Total number of households									
Name of municipal entity		<b>Sanitation/sewage:</b>									
		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		<b>Energy:</b>									
		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		<b>Refuse:</b>									
		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.	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
Names of service providers		Household service targets (000)									
		<b>Water:</b>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total									
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total									
		Total number of households									
Names of service providers		<b>Sanitation/sewage:</b>									
		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		<b>Energy:</b>									
		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		<b>Refuse:</b>									
		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		Ref.	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
Electricity		Location of households for each type of FBS	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27





0 Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Funding measures</b>												
Cash/cash equivalents at the year beg - R'000	18/1b	1	--	301 154	232 070	232 070	184 371	184 371	184 371	184 371	231 425	324 159
Cash - investments at the y end less applications - R'000	18/1b	2	(413 414)	(788 947)	(459 218)	(828 281)	(463 200)	(463 200)	(463 200)	(395 674)	(232 843)	(103 564)
Cash year end/monthly employees/supplier payments	18/1b	3	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) excluding depreciation offsets R'000	18/1	4	156 063	(312 707)	(204 421)	1 100 373	1 118 022	1 118 022	1 118 022	870 656	800 802	991 405
Service charge inc % change - minus CPI% target exclusive	18/1a(2)	5	N/A	8.2%	(7.2%)	27.1%	(8.0%)	(6.0%)	(6.0%)	1.3%	4.2%	4.6%
Cash receipts % of Ratepayer & Other revenue	18/1a(2)	6	46.1%	47.5%	86.1%	48.7%	49.0%	49.0%	49.0%	90.3%	90.1%	90.0%
Debt impairment expense as a % of total billable revenue	18/1a(2)	7	0.0%	0.0%	0.0%	8.8%	5.0%	5.0%	5.0%	4.9%	4.7%	4.4%
Capital payments % of capital expenditure	18/1c-19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18/1c-19	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov. legislated/granted allocations	18/1a	10	--	--	--	--	--	--	--	0.0%	0.0%	0.0%
Current consumer debtors % change - inc/(decr)	18/1a	11	N/A	20.8%	(2.0%)	(15.5%)	47.9%	0.0%	0.0%	24.3%	40.3%	32.7%
Long term receivables % change - inc/(decr)	18/1a	12	N/A	(100.0%)	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(4)	13	4.9%	7.6%	5.5%	5.9%	5.6%	5.6%	6.0%	6.6%	7.1%	0.0%
Asset renewal % of capital budget	20(1)(4)	14	(24.3%)	(29.4%)	(24.7%)	(7.4%)	0.3%	0.3%	0.0%	(6.5%)	8.9%	6.3%
<b>References</b>												
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 fund/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/Provincial allocations included in budget												
11. Indicative of realistic current annum 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 annum 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)												
<b>Supporting indicators</b>												
% inc total service charges (incl prop rates)	18/1a		0.0%	14.2%	(1.2%)	33.1%	(0.0%)	0.0%	0.0%	7.5%	10.2%	10.6%
% inc Property Tax	18/1a		0.0%	12.6%	8.6%	8.6%	(0.0%)	0.0%	0.0%	3.0%	4.0%	5.0%
% inc Service charges - Electricity	18/1a		0.0%	16.7%	(3.1%)	54.3%	0.0%	0.0%	0.0%	9.0%	13.0%	13.0%
% inc Service charges - Water	18/1a		0.0%	19.8%	(8.2%)	32.6%	(0.0%)	0.0%	0.0%	9.0%	10.0%	10.0%
% inc Service charges - Waste Water Management	18/1a		0.0%	0.0%	(4.3%)	(5.7%)	(0.0%)	0.0%	0.0%	6.0%	6.0%	6.0%
% inc Service charges - Waste Management	18/1a		0.0%	7.0%	(2.8%)	(0.1%)	(0.0%)	0.0%	0.0%	6.0%	5.0%	6.0%
% inc in Sale of Goods and Rendering of Services	18/1a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18/1a		2 051 664	2 343 247	2 316 187	3 082 838	3 082 838	3 082 838	3 082 838	3 314 278	3 651 458	4 037 674
Service charges	18/1a		2 051 664	2 343 247	2 316 187	3 082 838	3 082 838	3 082 838	3 082 838	3 314 278	3 651 458	4 037 674
Property rates	18/1a		488 974	528 049	573 341	622 442	622 442	622 442	622 442	641 116	666 760	700 098
Service charges - electricity revenue	18/1a		1 002 346	1 177 849	1 160 206	1 620 601	1 620 601	1 620 601	1 620 601	1 964 456	2 242 434	2 533 959
Service charges - water revenue	18/1a		240 651	268 397	264 034	350 836	350 836	350 836	350 836	382 411	420 662	462 718
Service charges - sanitation revenue	18/1a		162 380	163 147	156 210	147 319	147 319	147 319	147 319	156 158	163 966	173 804
Service charges - refuse removal	18/1a		136 312	145 806	141 795	141 640	141 640	141 640	141 640	150 139	157 646	167 104
Agency services	18/1a		20 640	21 985	23 254	31 874	31 874	31 874	31 874	33 467	35 141	37 240
Capital expenditure excluding capital grant funding	18/1a		146 433	165 750	107 860	184 104	275 310	275 310	275 310	204 178	144 889	154 818
Cash receipts from ratepayers	18/1a		2 178 348	2 526 894	5 008 607	3 319 223	3 338 184	3 338 184	3 338 184	3 125 248	3 431 736	3 783 042
Ratepayer & Other revenue	18/1a		4 725 833	5 322 546	5 819 488	6 814 886	6 814 882	6 814 882	6 814 882	3 463 058	3 807 677	4 209 286
Change in consumer debtors (current and non-current)	18/1a		N/A	185 624	(31 675)	(163 478)	423 273	--	--	317 029	654 362	744 425
Operating and Capital Grant Revenue	18/1a		2 181 377	1 871 344	2 015 862	2 286 810	2 311 788	2 311 788	2 311 788	2 374 488	2 386 320	2 602 204
Capital expenditure - total	20(1)(4)		839 879	665 491	640 044	797 239	941 117	941 117	941 117	800 142	706 190	850 305
Capital expenditure - (net)	20(1)(4)		(204 207)	(201 745)	(158 358)	(89 100)	- 730	2 700	--	(4 461)	62 863	53 446
<b>Supporting benchmarks</b>												
Growth guideline maximum	18/1a		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline	18/1a		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DuRA operating grants total MPY	18/1a		--	--	--	--	--	--	--	--	--	--
DuRA capital grants total MPY	18/1a		--	--	--	--	--	--	--	--	--	--
Provincial operating grants	18/1a		--	--	--	--	--	--	--	--	--	--
Provincial capital grants	18/1a		--	--	--	--	--	--	--	--	--	--
District Municipality grants	18/1a		--	--	--	--	--	--	--	--	--	--
Total gazetted/adjusted national, provincial and district grants	18/1a		--	--	--	--	--	--	--	--	--	--
Average annual collection rate (arises inclusive)	18/1a		--	--	--	--	--	--	--	--	--	--
<b>DuRA operating</b>												
List operating grants	18/1a		--	--	--	--	--	--	--	--	--	--
<b>DuRA capital</b>												
List capital grants	18/1a		--	--	--	--	--	--	--	--	--	--
<b>Total</b>												
Change in consumer debtors (current and non-current)	18/1a		N/A	185 624	(31 675)	(163 478)	423 273	--	--	317 029	654 362	744 425
<b>Total Operating Revenue</b>												
Total Operating Revenue	18/1a		3 656 382	4 030 154	4 169 977	4 945 302	4 935 692	4 935 692	4 935 692	5 302 511	5 734 409	6 198 684
Total Operating Expenditure	18/1a		4 315 312	4 998 309	5 106 987	4 550 034	4 583 348	4 583 348	4 583 348	5 140 213	5 569 083	6 006 974
Operating Performance Surplus/(Deficit)	18/1a		(658 930)	(968 155)	(937 010)	395 269	352 344	352 344	352 344	162 298	165 326	191 711
<b>Cash and Cash Equivalents (30 June 2012)</b>												
Cash	18/1b		--	--	--	--	--	--	--	--	--	--
<b>Revenue</b>												
% Increase in Total Operating Revenue	18/1a		10.2%	3.5%	18.0%	(0.2%)	0.0%	0.0%	0.0%	7.4%	8.1%	8.1%
% Increase in Property Rates Revenue	18/1a		12.6%	8.6%	8.6%	(0.0%)	0.0%	0.0%	0.0%	3.0%	4.0%	5.0%
% Increase in Electricity Revenue	18/1a		16.7%	(3.1%)	54.3%	0.0%	0.0%	0.0%	0.0%	9.0%	13.0%	13.0%
% Increase in Property Rates & Services Charges	18/1a		14.2%	(1.2%)	33.1%	(0.0%)	0.0%	0.0%	0.0%	7.5%	10.2%	10.6%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure	18/1a		0.0%	15.8%	2.2%	(10.9%)	0.7%	0.0%	0.0%	12.1%	8.3%	7.9%
% Increase in Employee Costs	18/1a		0.0%	5.5%	4.4%	17.4%	(8.4%)	0.0%	0.0%	16.3%	4.8%	6.4%
% Increase in Electricity Bulk Purchases	18/1a		0.0%	14.8%	(2.3%)	35.7%	(0.7%)	0.0%	0.0%	13.0%	13.0%	13.0%
Average Cost Per Budgeted Employee Position (Remuneration)	18/1a		0	0	0	0	0	0	0	0	0	0
Average Cost Per Councillor (Remuneration)	18/1a		0	0	0	0	0	0	0	0	0	0
R&M % of PPE	18/1a		4.9%	7.6%	5.5%	5.9%	5.6%	5.6%	6.0%	6.6%	7.1%	7.9%
Asset Renewal and R&M as a % of PPE	18/1a		9.4%	5.8%	6.6%	5.0%	5.0%	5.0%	6.0%	6.5%	8.2%	7.9%
Debt Impairment % of Total Billable Revenue	18/1a		0.0%	0.0%	0.0%	8.8%	5.0%	5.0%	5.0%	4.9%	4.7%	4.4%
<b>Capital Revenue</b>												
Internally Funded & Other (R'000)	18/1a		(865)	--	--	--	--	--	--	--	--	--
Borrowing (R'000)	18/1a		--	--	--	--	--	--	--	--	--	--
Grant Funding and Other (R'000)	18/1a		839 879	665 491	640 044	797 239	941 117	941 117	941 117	800 142	706 190	850 305
Internally Generated funds % of Non Grant Funding	18/1a		(99.3%)	(99.9%)	(99.2%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
Borrowing % of Non Grant Funding	18/1a		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	18/1a		598.1%	414.7%	616.4%	433.0%	341.6%	341.6%	341.6%	401.7%	487.4%	548.6%
<b>Capital Expenditure</b>												
Total Capital Programme (R'000)	18/1a		--	--	--	--	--	--	--	--	--	--
Asset Renewal	18/1a		--	--	--	--	--	--	--	--	--	--
Asset Renewal % of Total Capital Expenditure	18/1a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other	18/1a		46.1%	47.5%	86.1%	48.7%	49.0%	49.0%	49.0%	90.3%	90.1%	90.0%
Cash Coverage Ratio	18/1a		--	--	--	--	--	--	--	--	--	--
<b>Borrowing</b>												
Most recent Credit Rating	18/1a		--	--	--	--	--	--	--	0	--	--
Capital Charges to Operating	18/1a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure	18/1a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Uncommitted reserves after application of cash and investments	18/1a		(413 414)	(788 947)	(459 218)	(828 281)	(463 200)	(463 200)	(463 200)	(395 674)	(232 843)	(103 564)
<b>Free Services</b>												
Free Basic Services as a % of Equitable Share (excl operational transfers)	18/1a		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 Equitable Share (excl operational transfers)	18/1a		4.4%	2.3%	0.3%	8.1%	8.0%	8.0%	8.3%	7.7%	7.6%	7.5%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue	18/1a		3 656 382	4 030 154	4 169 977	4 945 302	4 935 692	4 935 692	4 935 692	5 302 511	5 734 409	6 198 684

LIM354 Polokwane - Supporting Table SA11 Property rates summary

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Valuation:</b>										
Date of valuation:	1	0	0	0	0	0	0	0	0	0
Financial year valuation used		0	0	0	0	0	0	0	0	0
Municipal by-laws s6 in place? (Y/N)	2	0	0	0	0	0	0	0	0	0
Municipal/assistant valuer appointed? (Y/N)		0	0	0	0	0	0	0	0	0
Municipal partnership s38 used? (Y/N)		0	0	0	0	0	0	0	0	0
No. of assistant valuers (FTE)	3	0	0	0	0	0	0	0	0	0
No. of data collectors (FTE)	3	0	0	0	0	0	0	0	0	0
No. of internal valuers (FTE)	3	0	0	0	0	0	0	0	0	0
No. of external valuers (FTE)	3	0	0	0	0	0	0	0	0	0
No. of additional valuers (FTE)	4	0	0	0	0	0	0	0	0	0
Valuation appeal board established? (Y/N)		0	0	0	0	0	0	0	0	0
Implementation time of new valuation roll (mths)		0	0	0	0	0	0	0	0	0
No. of properties	5	0	0	0	0	0	0	0	0	0
No. of sectional title values	5	0	0	0	0	0	0	0	0	0
No. of unreasonably difficult properties s7(2)		0	0	0	0	0	0	0	0	0
No. of supplementary valuations		0	0	0	0	0	0	0	0	0
No. of valuation roll amendments		0	0	0	0	0	0	0	0	0
No. of objections by rate payers		0	0	0	0	0	0	0	0	0
No. of appeals by rate payers		0	0	0	0	0	0	0	0	0
No. of successful objections	8	0	0	0	0	0	0	0	0	0
No. of successful objections > 10%	8	0	0	0	0	0	0	0	0	0
Supplementary valuation		0	0	0	0	0	0	0	0	0
Public service infrastructure value (Rm)	5	0	0	0	0	0	0	0	0	0
Municipality owned property value (Rm)		0	0	0	0	0	0	0	0	0
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-nature reserves/park (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-mineral rights (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-R15,000 threshold (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-public worship (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-other (Rm)		0	0	0	0	0	0	0	0	0
<b>Total valuation reductions:</b>										
Total value used for rating (Rm)	5	0	0	0	0	0	0	0	0	0
Total land value (Rm)	5	0	0	0	0	0	0	0	0	0
Total value of improvements (Rm)	5	0	0	0	0	0	0	0	0	0
Total market value (Rm)	5	0	0	0	0	0	0	0	0	0
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)		0	0	0	0	0	0	0	0	0
Differential rates used? (Y/N)	5	0	0	0	0	0	0	0	0	0
Limit on annual rate increase (s20)? (Y/N)		0	0	0	0	0	0	0	0	0
Special rating area used? (Y/N)		0	0	0	0	0	0	0	0	0
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		0	0	0	0	0	0	0	0	0
Fixed amount minimum value (R'000)		0	0	0	0	0	0	0	0	0
Non-residential prescribed ratio s19? (%)		0	0	0	0	0	0	0	0	0
<b>Rate revenue:</b>										
Rate revenue budget (R '000)	6	0	0	0	0	0	0	0	0	0
Rate revenue expected to collect (R'000)	6	0	0	0	0	0	0	0	0	0
Expected cash collection rate (%)		0	0	0	0	0	0	0	0	0
Special rating areas (R'000)	7	0	0	0	0	0	0	0	0	0
Rebates, exemptions - indigent (R'000)		0	0	0	0	0	0	0	0	0
Rebates, exemptions - pensioners (R'000)		0	0	0	0	0	0	0	0	0
Rebates, exemptions - bona fide farm. (R'000)		0	0	0	0	0	0	0	0	0
Rebates, exemptions - other (R'000)		0	0	0	0	0	0	0	0	0
Phase-in reductions/discounts (R'000)		0	0	0	0	0	0	0	0	0
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		-	-	-	-	-	-	-	-	-

References

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

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

Description	###	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Current Year 2023/24</b>												
<b>Valuation:</b>												
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)		1	1	-	1	1	-	-	1	-	-	-
Base of valuation (select)		1	1	-	1	1	-	-	1	-	-	-
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		2	2	-	2	2	-	-	-	-	-	-
Flat rate used? (Y/N)		2	2	-	2	2	-	-	2	-	-	-
Is balance rated by uniform rate/variable rate?		2	2	-	2	2	-	-	2	-	-	-
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
<b>Rating:</b>												
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)		-	-	-	-	-	-	-	-	-	-	-
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		-	-	-	-	-	-	-	-	-	-	-

**References**

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

6. *Provide relevant information for historical comparisons.*

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

Description	###	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Budget Year 2024/25</b>												
<b>Valuation:</b>												
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 ( <b>select</b> )		-	-	-	-	-	-	-	-	-	-	-
Frequency of valuation ( <b>select</b> )		-	-	-	-	-	-	-	-	-	-	-
Method of valuation used ( <b>select</b> )		-	-	-	-	-	-	-	-	-	-	-
Base of valuation ( <b>select</b> )		-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-
Flat rate used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>												
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
<b>Rating:</b>												
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)		-	-	-	-	-	-	-	-	-	-	-
<b>Total rebates,exemptns,reductns,discs (R'000)</b>		-	-	-	-	-	-	-	-	-	-	-
<b>References</b>												

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

LIM354 Polokwane - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Property rates (rate in the Rand)</b>	1								
Residential properties			0.01	0.01	0.01	0.01	0.01	0.01	0.01
Residential properties - vacant land			-	-	-	-	-	-	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm properties - not used			-	-	-	-	-	-	-
Industrial properties			0.01	0.01	0.01	0.01	0.01	0.01	0.02
Business and commercial properties			0.01	0.01	0.01	0.01	0.01	0.01	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	0.01	0.01	0.02
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Privately owned towns serviced by the owner			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
<b>Property rates by usage</b>									
Business and commercial properties			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Mining properties			-	-	-	-	-	-	-
Residential properties			-	-	-	-	-	-	-
Agricultural properties			-	-	-	-	-	-	-
Public benefit organisations			-	-	-	-	-	-	-
Public service purpose properties			-	-	-	-	-	-	-
Public service infrastructure properties			-	-	-	-	-	-	-
Vacant land			-	-	-	-	-	-	-
Sport Clubs and Fields (Bitou only)			-	-	-	-	-	-	-
Sectional Title Garages (Drakenstein only)			-	-	-	-	-	-	-
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate									
General residential rebate			85000	85000	85000	85000	85000	85000	85000
Indigent rebate or exemption			1	1	1	1	1	1	1
Pensioners/social grants rebate or exemption			0.8	0.8	0.8	0.8	0.8	0.8	0.8
Temporary relief rebate or exemption			0	0	0	0	0	0	0
Bona fide farmers rebate or exemption			0	0	0	0	0	0	0
<b>Other rebates or exemptions</b>	2		0	0	0	0	0	0	0
<b>Water tariffs</b>									
<b>Domestic</b>									
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/k)			0	0	0	0	0	0	0
Water usage - life line tariff		(describe structure)	0	0	0	0	0	0	0
Water usage - Block 1 (c/k)		(fill in thresholds)	8.31	8.93	9.68	10.55	12.34	14.44	16.9
Water usage - Block 2 (c/k)		(fill in thresholds)	12.15	14.03	15.22	16.59	19.41	22.71	26.57

Water usage - Block 3 (c/kl)	(fill in thresholds)	13.26	15.31	16.61	18.1	21.18	24.78	28.99
Water usage - Block 4 (c/kl)	(fill in thresholds)	17.68	20.42	22.15	24.14	28.24	33.05	38.66
Water usage - Block 5 (c/kl)	(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 6 (c/kl)	(fill in thresholds)	0	0	0	0	0	0	0
<b>Other</b>		0	0	0	0	0	0	0
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixe 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)	116.05	121.38	109.39	127.98	135.66	142.44	149.57
Volumetric charge - Block 2 (c/kl)	(fill in structure)	18.95	19.82	17.88	20.92	22.17	23.28	24.45
Volumetric charge - Block 3 (c/kl)	(fill in structure)	15.39	16.09	14.51	16.98	18	18.9	19.84



Volumetric charge - Block 4 (c/kI)		(fill in structure)	21.31	22.29	20.09	23.51	24.92	26.16	27.47
<b>Other</b>	2		0	0	0	0	0	0	0
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)			105	110	120.32	129.31	151.29	158.86	168.39
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)	120	138	151.25	176.96	207.04	217.4	230.44
Life-line tariff - prepaid		(describe structure)	120	138	151.25	176.96	207.04	217.4	230.44
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)	97	102.82	117.82	126.62	148.15	155.55	164.89
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	126.63	134.23	153.81	165.29	193.39	203.06	215.24
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	186.56	198.16	227.07	244.03	285.52	299.79	317.78
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	219.35	233	267	287.77	336.69	353.53	374.74
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)	97	125	117.82	126.62	148.15	155.55	164.89
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	126.63	156	153.81	165.29	193.39	203.06	215.24
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	186.56	230	227.07	244.03	285.52	299.79	317.78
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	219.35	266	267	287.77	336.69	353.53	374.74
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
<b>Other</b>	2		0	0	0	0	0	0	0
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge			0	0	0	0	0	0	0
Basic charge/ fixed fee			0	0	0	0	0	0	0
80l bin - once a week			0	0	0	0	0	0	0
250l bin - once a week			0	0	0	0	0	0	0

References

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b

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

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Exemptions, reductions and rebates (Rands)</b> <i>[Insert lines as applicable]</i>									
<b>Water tariffs</b> <i>[Insert blocks as applicable]</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
<b>Waste water tariffs</b> <i>[Insert blocks as applicable]</i>		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
<b>Electricity tariffs</b> <i>[Insert blocks as applicable]</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

LIM354 Polokwane - Supporting Table SA14 Household bills

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	0.00%	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Electricity: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Sanitation		-	-	-	-	-	-	0.00%	-	-	-
Refuse removal		-	-	-	-	-	-	0.00%	-	-	-
Other		-	-	-	-	-	-	0.00%	-	-	-
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	0.00%	-	-	-
<b>Total large household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>		-	-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	0.00%	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Electricity: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Sanitation		-	-	-	-	-	-	0.00%	-	-	-
Refuse removal		-	-	-	-	-	-	0.00%	-	-	-
Other		-	-	-	-	-	-	0.00%	-	-	-
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	0.00%	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>		-	-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	0.00%	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Electricity: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Sanitation		-	-	-	-	-	-	0.00%	-	-	-
Refuse removal		-	-	-	-	-	-	0.00%	-	-	-
Other		-	-	-	-	-	-	0.00%	-	-	-
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	0.00%	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>		-	-	-	-	-	-	-	-	-	-

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

LIM354 Polokwane - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	-	-	-	-	-	-	-	-

References

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

LIM354 Polokwane - Supporting Table SA16 Investment particulars by maturity

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

References

- Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
- List investments in expiry date order
- If 'variable' is selected in column F, input interest rate range
- Withdrawals to be entered as negative

check

LIM354 Polokwane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Parent municipality</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	-	-	-

<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

References

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

check borrowing balance #REF! #REF! #REF! #REF! #REF! #REF! #REF! #REF! #REF!

LIM354 Polokwane - Supporting Table SA18 Transfers and grant receipts

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		57 230	436 094	187 195	252 084	222 468	223 436	253 287	257 978	245 785
Expanded Public Works Programme Integrated Grant		9 527	7 971	11 570	11 794	11 135	11 135	6 117	-	-
Integrated National Electrification Programme Grant		39 000	16 000	3 600	-	-	-	-	2 600	7 000
Infrastructure Skills Development Grant		6 203	6 217	6 000	5 500	5 277	5 869	18 439	8 000	6 000
Local Government Financial Management Grant		2 500	2 400	2 055	2 400	2 024	2 400	2 400	2 400	2 500
Integrated Urban Development Grant		-	301 596	77 874	149 892	115 195	115 195	135 688	144 881	155 181
Public Transport Network Grant		-	101 910	86 096	82 499	88 837	88 837	90 643	100 097	75 104
<b>Provincial Government:</b>		-	<b>1 000</b>	-	-	-	<b>32</b>	-	-	-
Specify (Add grant description)		-	-	-	-	-	32	-	-	-

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

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		158 785	158 072	196 639	252 084	222 468	122 581	253 287	257 978	245 785
Urban Settlement Development Grant		53 493	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		9 527	7 971	11 570	11 794	11 135	7 020	6 117	-	-
Integrated National Electrification Programme Grant		45 777	9 892	4 189	-	-	-	-	2 600	7 000
Infrastructure Skills Development Grant		6 203	6 217	6 000	5 500	5 277	1 359	8 000	8 000	6 000
Local Government Financial Management Grant		2 054	2 400	2 055	2 400	2 024	1 284	2 400	2 400	2 500
Integrated Urban Development Grant		-	67 119	91 852	149 892	115 195	55 786	135 688	144 881	155 181
Energy Efficiency and Demand Side Management Grant		654	-	-	-	-	-	-	-	-
Public Transport Network Grant		41 077	64 474	69 463	82 499	88 837	57 131	101 082	100 097	75 104
Water Services Infrastructure Grant		-	-	11 511	-	-	-	-	-	-
<b>Provincial Government:</b>		-	866	-	-	-	-	-	-	-



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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government</b>										
Balance unspent at beginning of the year		154 465	256 020	(21 556)	(21 556)	(12 112)	(12 112)	(12 112)	(12 112)	(12 112)
Current year receipts		57 230	436 094	187 195	252 084	222 468	223 436	253 287	257 978	245 785
Repayment of grants										
<b>Conditions met - transferred to revenue</b>		<b>158 785</b>	<b>158 072</b>	<b>196 639</b>	<b>252 084</b>	<b>222 468</b>	<b>122 581</b>	<b>253 287</b>	<b>257 978</b>	<b>245 785</b>
Conditions still to be met - transferred to liabilities		52 911	534 042	(31 001)	(21 556)	(12 112)	88 744	(12 112)	(12 112)	(12 112)
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		(3 484)	(3 484)	(3 617)	(3 617)	(3 541)	(3 541)	(3 541)	(3 541)	(3 541)
Current year receipts		-	1 000	-	-	-	32	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		(3 484)	(3 350)	(3 617)	(3 617)	(3 541)	(3 509)	(3 541)	(3 541)	(3 541)
<b>District Municipality:</b>										
Balance unspent at beginning of the year		(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	5 000	5 000	-	5 000	5 000	5 000
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5 000</b>	<b>5 000</b>	<b>-</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>158 785</b>	<b>158 938</b>	<b>196 639</b>	<b>257 084</b>	<b>227 468</b>	<b>122 581</b>	<b>258 287</b>	<b>262 978</b>	<b>250 785</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>49 409</b>	<b>530 674</b>	<b>(34 636)</b>	<b>(25 191)</b>	<b>(15 671)</b>	<b>85 217</b>	<b>(15 671)</b>	<b>(15 671)</b>	<b>(15 671)</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government</b>										
Balance unspent at beginning of the year		(298 881)	(333 044)	(130 590)	(130 590)	(10 101)	(10 101)	(10 101)	(10 101)	(10 101)
Current year receipts		883 555	509 976	636 276	705 105	765 303	759 743	708 358	644 576	799 694
<b>Conditions met - transferred to revenue</b>		<b>849 392</b>	<b>655 398</b>	<b>620 766</b>	<b>705 105</b>	<b>765 303</b>	<b>527 728</b>	<b>708 358</b>	<b>644 576</b>	<b>799 694</b>
Conditions still to be met - transferred to liabilities		(264 719)	(478 466)	(115 080)	(130 590)	(10 101)	221 914	(10 101)	(10 101)	(10 101)
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>849 392</b>	<b>655 398</b>	<b>620 766</b>	<b>705 105</b>	<b>765 303</b>	<b>527 728</b>	<b>708 358</b>	<b>644 576</b>	<b>799 694</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>(264 719)</b>	<b>(478 466)</b>	<b>(115 080)</b>	<b>(130 590)</b>	<b>(10 101)</b>	<b>221 914</b>	<b>(10 101)</b>	<b>(10 101)</b>	<b>(10 101)</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>1 008 177</b>	<b>814 336</b>	<b>817 406</b>	<b>962 189</b>	<b>992 771</b>	<b>650 308</b>	<b>966 645</b>	<b>907 554</b>	<b>1 050 479</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>(215 309)</b>	<b>52 208</b>	<b>(149 716)</b>	<b>(155 781)</b>	<b>(25 772)</b>	<b>307 131</b>	<b>(25 772)</b>	<b>(25 772)</b>	<b>(25 772)</b>

References

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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash Transfers to other municipalities</b> <i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b> <i>Insert description</i>	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b> <i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b> <i>Insert description</i>											
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b> <i>Insert description</i>											
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other municipalities</b> <i>Insert description</i>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b> <i>Insert description</i>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b> <i>Insert description</i>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b> <i>Insert description</i>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b> <i>Insert description</i>	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	-	-	-	-	-	-	-	-	-	-

**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	####	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26
R thousand		A	B	C	D	E	F	G	H
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	1	22 486	25 776	26 581	28 328	28 888	28 888	30 535	32 245
Pension and UIF Contributions		3 388	3 466	3 714	4 016	4 113	4 113	4 347	4 590
Medical Aid Contributions		711	394	321	329	350	350	370	390
Motor Vehicle Allowance		7 892	5 476	6 278	6 844	6 861	6 861	7 252	7 658
Cellphone Allowance		4 128	3 827	3 821	3 672	4 257	4 257	4 499	4 751
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		87	411	668	324	428	428	453	478
<b>Sub Total - Councillors</b>		<b>38 692</b>	<b>39 349</b>	<b>41 384</b>	<b>43 514</b>	<b>44 896</b>	<b>44 896</b>	<b>47 455</b>	<b>50 113</b>
<b>% increase</b>	4		<b>1.7%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>3.2%</b>	-	<b>5.7%</b>	<b>5.6%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	2	11 180	10 471	7 696	18 529	16 726	16 726	16 147	17 051
Pension and UIF Contributions		1 564	1 340	1 017	2 898	2 918	2 918	3 278	3 462
Medical Aid Contributions		176	162	139	526	526	526	701	740
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	59	-	1 380	-	-	-	-
Motor Vehicle Allowance	3	2 191	1 955	1 611	3 848	2 778	2 778	3 748	3 958
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	2 244	2 020	1 623	2 163	1 759	1 759	1 113	1 176
Other benefits and allowances	3	-	-	297	0	108	108	3	3
Payments in lieu of leave		-	559	1 131	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	218	91	20	155	155	155	164
In kind benefits		-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>17 355</b>	<b>16 783</b>	<b>13 605</b>	<b>29 365</b>	<b>24 970</b>	<b>24 970</b>	<b>25 144</b>	<b>26 553</b>
<b>% increase</b>	4		<b>(3.3%)</b>	<b>(18.9%)</b>	<b>115.8%</b>	<b>(15.0%)</b>	-	<b>0.7%</b>	<b>5.6%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		545 477	559 306	561 290	713 839	610 456	610 456	791 723	825 936
Pension and UIF Contributions		106 371	110 310	112 860	168 861	157 084	157 084	183 011	193 252
Medical Aid Contributions		39 627	42 356	45 069	49 849	49 223	49 223	55 693	58 810
Overtime		92 771	98 665	120 437	82 068	99 656	99 656	57 280	60 430
Performance Bonus		42 985	43 933	45 606	79 164	56 927	56 927	86 437	91 280
Motor Vehicle Allowance	3	48 258	53 328	58 645	66 131	63 556	63 556	76 357	80 624
Cellphone Allowance	3	225	163	96	149	159	159	145	153
Housing Allowances	3	8 934	14 588	6 363	8 630	7 157	7 157	10 415	10 995
Other benefits and allowances	3	12 932	13 538	27 516	11 493	25 054	25 054	8 299	8 764
Payments in lieu of leave		29 700	22 233	22 738	20 213	34 442	34 442	20 360	21 499
Long service awards		(167)	4 652	5 286	14 567	8 318	8 318	10 349	10 928
Post-retirement benefit obligations	6	25 106	43 454	47 029	8 000	7 370	7 370	6 500	6 864
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		3 626	3 440	5 477	6 626	9 284	9 284	9 434	9 961
In kind benefits		-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>955 845</b>	<b>1 009 967</b>	<b>1 058 411</b>	<b>1 229 589</b>	<b>1 128 684</b>	<b>1 128 684</b>	<b>1 316 002</b>	<b>1 379 496</b>
<b>% increase</b>	4		<b>5.7%</b>	<b>4.8%</b>	<b>16.2%</b>	<b>(8.2%)</b>	-	<b>16.6%</b>	<b>4.8%</b>
<b>Total Parent Municipality</b>		<b>1 011 893</b>	<b>1 066 100</b>	<b>1 113 400</b>	<b>1 302 468</b>	<b>1 198 551</b>	<b>1 198 551</b>	<b>1 388 602</b>	<b>1 456 161</b>
			<b>5.4%</b>	<b>4.4%</b>	<b>17.0%</b>	<b>(8.0%)</b>	-	<b>15.9%</b>	<b>4.9%</b>
<b>Board Members of Entities</b>									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-

Sub Total - Board Members of Entities  
% increase

4	-	-	-	-	-	-	-	-	-
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<b>Senior Managers of Entities</b>									
	Basic Salaries and Wages	-	-	-	-	-	-	-	-
	Pension and UIF Contributions	-	-	-	-	-	-	-	-
	Medical Aid Contributions	-	-	-	-	-	-	-	-
	Overtime	-	-	-	-	-	-	-	-
	Performance Bonus	-	-	-	-	-	-	-	-
	Motor Vehicle Allowance	3	-	-	-	-	-	-	-
	Cellphone Allowance	3	-	-	-	-	-	-	-
	Housing Allowances	3	-	-	-	-	-	-	-
	Other benefits and allowances	3	-	-	-	-	-	-	-
	Payments in lieu of leave	-	-	-	-	-	-	-	-
	Long service awards	-	-	-	-	-	-	-	-
	Post-retirement benefit obligations	6	-	-	-	-	-	-	-
	Entertainment	-	-	-	-	-	-	-	-
	Scarcity	-	-	-	-	-	-	-	-
	Acting and post related allowance	-	-	-	-	-	-	-	-
	In kind benefits	-	-	-	-	-	-	-	-
	<b>Sub Total - Senior Managers of Entities</b>	4	-	-	-	-	-	-	-
	<b>% increase</b>		-	-	-	-	-	-	-
<b>Other Staff of Entities</b>									
	Basic Salaries and Wages	-	-	-	-	-	-	-	-
	Pension and UIF Contributions	-	-	-	-	-	-	-	-
	Medical Aid Contributions	-	-	-	-	-	-	-	-
	Overtime	-	-	-	-	-	-	-	-
	Performance Bonus	-	-	-	-	-	-	-	-
	Motor Vehicle Allowance	3	-	-	-	-	-	-	-
	Cellphone Allowance	3	-	-	-	-	-	-	-
	Housing Allowances	3	-	-	-	-	-	-	-
	Other benefits and allowances	3	-	-	-	-	-	-	-
	Payments in lieu of leave	-	-	-	-	-	-	-	-
	Long service awards	-	-	-	-	-	-	-	-
	Post-retirement benefit obligations	6	-	-	-	-	-	-	-
	Entertainment	-	-	-	-	-	-	-	-
	Scarcity	-	-	-	-	-	-	-	-
	Acting and post related allowance	-	-	-	-	-	-	-	-
	In kind benefits	-	-	-	-	-	-	-	-
	<b>Sub Total - Other Staff of Entities</b>	4	-	-	-	-	-	-	-
	<b>% increase</b>		-	-	-	-	-	-	-
<b>Total Municipal Entities</b>			-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>			1 011 893	1 066 100	1 113 400	1 302 468	1 198 551	1 198 551	1 388 602
	<b>% increase</b>	4		5.4%	4.4%	17.0%	(8.0%)	-	15.9%
	<b>TOTAL MANAGERS AND STAFF</b>	5,7	973 200	1 026 750	1 072 016	1 258 954	1 153 655	1 153 655	1 341 147











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

Summary of Personnel Numbers	###	2022/23			Current Year 2023/24			Budget Year 2024/25		
		Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		-	-	-	-	-	-	-	-	-
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	-	-	-	-	-	-	-	-	-
Other Managers	7	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	-	-	-	-	-	-	-	-	-
<b>% increase</b>		-	-	-	-	-	-	-	-	-
<b>Total municipal employees headcount</b>	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		165 371	165 371	165 371	165 371	165 371	165 371	165 371	165 371	165 371	165 371	165 371	165 371	1 984 455	2 242 434	2 533 950
Service charges - Water		31 868	31 868	31 868	31 868	31 868	31 868	31 868	31 868	31 868	31 868	31 868	31 868	382 411	420 652	462 718
Service charges - Waste Water Management		13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	156 158	163 966	173 804
Service charges - Waste Management		12 512	12 512	12 512	12 512	12 512	12 512	12 512	12 512	12 512	12 512	12 512	12 512	150 139	157 646	167 104
Sale of Goods and Rendering of Services		1 242	1 242	1 242	1 242	1 242	1 242	1 242	1 242	1 242	1 242	1 242	1 242	14 902	15 647	16 586
Agency services		2 789	2 789	2 789	2 789	2 789	2 789	2 789	2 789	2 789	2 789	2 789	2 789	33 467	35 141	37 249
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 813	7 813	7 813	7 813	7 813	7 813	7 813	7 813	7 813	7 813	7 813	7 813	93 759	98 447	104 353
Interest earned from Current and Non Current Assets		3 582	3 582	3 582	3 582	3 582	3 582	3 582	3 582	3 582	3 582	3 582	3 582	42 987	45 136	47 845
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	13 137	13 794	14 622
Licence and permits		1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	15 263	16 026	16 988
Operational Revenue		3 416	3 416	3 416	3 416	3 416	3 416	3 416	3 416	3 416	3 416	3 416	3 416	40 993	43 042	45 625
<b>Non-Exchange Revenue</b>																
Property rates		53 426	53 426	53 426	53 426	53 426	53 426	53 426	53 426	53 426	53 426	53 426	53 426	641 116	666 760	700 098
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3 679	3 679	3 679	3 679	3 679	3 679	3 679	3 679	3 679	3 679	3 679	3 679	44 152	46 359	49 141
Licences or permits		0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Transfer and subsidies - Operational		138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	1 666 130	1 744 744	1 802 510
Interest		1 953	1 953	1 953	1 953	1 953	1 953	1 953	1 953	1 953	1 953	1 953	1 953	23 440	24 612	26 088
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contrib</b>		<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>441 876</b>	<b>5 302 511</b>	<b>5 734 409</b>	<b>6 198 684</b>
<b>Expenditure</b>																
Employee related costs		111 762	111 762	111 762	111 762	111 762	111 762	111 762	111 762	111 762	111 762	111 762	111 762	1 341 147	1 406 049	1 495 599
Remuneration of councillors		3 955	3 955	3 955	3 955	3 955	3 955	3 955	3 955	3 955	3 955	3 955	3 955	47 455	50 113	52 869
Bulk purchases - electricity		108 639	108 639	108 639	108 639	108 639	108 639	108 639	108 639	108 639	108 639	108 639	108 639	1 303 666	1 473 143	1 664 651
Inventory consumed		27 376	27 376	27 376	27 376	27 376	27 376	27 376	27 376	27 376	27 376	27 376	27 376	328 513	363 220	381 379
Debt impairment		13 537	13 537	13 537	13 537	13 537	13 537	13 537	13 537	13 537	13 537	13 537	13 537	162 447	170 732	179 268
Depreciation and amortisation		32 243	32 243	32 243	32 243	32 243	32 243	32 243	32 243	32 243	32 243	32 243	32 243	386 920	453 359	497 571
Interest		3 560	3 560	3 560	3 560	3 560	3 560	3 560	3 560	3 560	3 560	3 560	3 560	42 724	44 903	47 148
Contracted services		81 534	81 534	81 534	81 534	81 534	81 534	81 534	81 534	81 534	81 534	81 534	81 534	978 409	1 032 607	1 085 286
Transfers and subsidies		873	873	873	873	873	873	873	873	873	873	873	873	10 480	10 480	10 480
Irrecoverable debts written off		10 373	10 373	10 373	10 373	10 373	10 373	10 373	10 373	10 373	10 373	10 373	10 373	124 473	130 821	137 362
Operational costs		34 498	34 498	34 498	34 498	34 498	34 498	34 498	34 498	34 498	34 498	34 498	34 498	413 979	433 658	455 360
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>
<b>Surplus/(Deficit)</b>		<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>13 525</b>	<b>162 298</b>	<b>165 326</b>	<b>191 711</b>
Transfers and subsidies - capital (monetary allocations)		59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	708 358	644 576	799 694
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>

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

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>																
Vote 1 - Chief operations office		1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	12 285	12 133	12 817
Vote 2 - Municipal managers office		0	0	0	0	0	0	0	0	0	0	0	0	2	2	3
Vote 3 - Water and sanitation		73 625	73 625	73 625	73 625	73 625	73 625	73 625	73 625	73 625	73 625	73 625	73 625	883 502	986 654	1 158 075
Vote 4 - Energy services		171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	2 052 223	2 306 989	2 607 381
Vote 5 - Community Services		19 749	19 749	19 749	19 749	19 749	19 749	19 749	19 749	19 749	19 749	19 749	19 749	236 988	262 846	265 728
Vote 6 - Public safety		5 257	5 257	5 257	5 257	5 257	5 257	5 257	5 257	5 257	5 257	5 257	5 257	63 085	70 503	90 195
Vote 7 - Corporate and Shared Services		472	472	472	472	472	472	472	472	472	472	472	472	5 667	5 950	6 307
Vote 8 - Planning and Economic Development		4 944	4 944	4 944	4 944	4 944	4 944	4 944	4 944	4 944	4 944	4 944	4 944	59 324	60 706	65 414
Vote 9 - Budget and Treasury office		179 675	179 675	179 675	179 675	179 675	179 675	179 675	179 675	179 675	179 675	179 675	179 675	2 156 097	2 260 250	2 367 441
Vote 10 - Transport Operations		44 874	44 874	44 874	44 874	44 874	44 874	44 874	44 874	44 874	44 874	44 874	44 874	538 488	409 583	421 446
Vote 11 - Human Settlement		267	267	267	267	267	267	267	267	267	267	267	267	3 208	3 368	3 571
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>500 906</b>	<b>6 010 869</b>	<b>6 378 986</b>	<b>6 998 379</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Chief operations office		13 353	13 353	13 353	13 353	13 353	13 353	13 353	13 353	13 353	13 353	13 353	13 353	160 231	165 973	179 825
Vote 2 - Municipal managers office		10 034	10 034	10 034	10 034	10 034	10 034	10 034	10 034	10 034	10 034	10 034	10 034	120 414	126 466	133 075
Vote 3 - Water and sanitation		60 524	60 524	60 524	60 524	60 524	60 524	60 524	60 524	60 524	60 524	60 524	60 524	726 282	782 999	830 333
Vote 4 - Energy services		137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	1 651 138	1 847 504	2 062 062
Vote 5 - Community Services		42 636	42 636	42 636	42 636	42 636	42 636	42 636	42 636	42 636	42 636	42 636	42 636	511 636	577 168	597 790
Vote 6 - Public safety		33 708	33 708	33 708	33 708	33 708	33 708	33 708	33 708	33 708	33 708	33 708	33 708	404 490	413 676	447 945
Vote 7 - Corporate and Shared Services		29 384	29 384	29 384	29 384	29 384	29 384	29 384	29 384	29 384	29 384	29 384	29 384	352 602	373 993	399 315
Vote 8 - Planning and Economic Development		10 091	10 091	10 091	10 091	10 091	10 091	10 091	10 091	10 091	10 091	10 091	10 091	121 094	124 188	131 409
Vote 9 - Budget and Treasury office		45 132	45 132	45 132	45 132	45 132	45 132	45 132	45 132	45 132	45 132	45 132	45 132	541 589	582 125	615 538
Vote 10 - Transport Operations		43 662	43 662	43 662	43 662	43 662	43 662	43 662	43 662	43 662	43 662	43 662	43 662	523 948	546 720	579 870
Vote 11 - Human Settlement		2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	26 789	28 273	29 812
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>428 351</b>	<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>72 555</b>	<b>870 656</b>	<b>809 902</b>	<b>991 405</b>

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

Description	###	Budget Year 2024/25											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>																
Governance and administration		180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	2 162 882	2 266 639	2 374 214
Executive and council		0	0	0	0	0	0	0	0	0	0	0	0	2	2	3
Finance and administration		180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	180 240	2 162 879	2 266 636	2 374 211
<b>Internal audit</b>		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Community and public safety		4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	58 796	63 195	54 330
Community and social services		264	264	264	264	264	264	264	264	264	264	264	264	3 170	2 488	2 638
Sport and recreation		4 357	4 357	4 357	4 357	4 357	4 357	4 357	4 357	4 357	4 357	4 357	4 357	52 284	57 198	47 972
Public safety		11	11	11	11	11	11	11	11	11	11	11	11	133	139	148
Housing		267	267	267	267	267	267	267	267	267	267	267	267	3 208	3 368	3 571
<b>Health</b>		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Economic and environmental services		56 047	56 047	56 047	56 047	56 047	56 047	56 047	56 047	56 047	56 047	56 047	56 047	672 568	553 015	589 966
Planning and development		5 967	5 967	5 967	5 967	5 967	5 967	5 967	5 967	5 967	5 967	5 967	5 967	71 606	72 836	78 227
Road transport		49 253	49 253	49 253	49 253	49 253	49 253	49 253	49 253	49 253	49 253	49 253	49 253	591 039	464 026	479 156
<b>Environmental protection</b>		827	827	827	827	827	827	827	827	827	827	827	827	9 923	16 153	32 582
Trading services		259 719	259 719	259 719	259 719	259 719	259 719	259 719	259 719	259 719	259 719	259 719	259 719	3 116 623	3 496 136	3 979 869
Energy sources		171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	171 019	2 052 223	2 306 989	2 607 381
Water management		55 789	55 789	55 789	55 789	55 789	55 789	55 789	55 789	55 789	55 789	55 789	55 789	669 462	657 334	718 327
Waste water management		17 837	17 837	17 837	17 837	17 837	17 837	17 837	17 837	17 837	17 837	17 837	17 837	214 039	329 320	439 749
<b>Waste management</b>		15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	180 898	202 493	214 413
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		500 906	500 906	500 906	500 906	500 906	500 906	500 906	500 906	500 906	500 906	500 906	500 906	6 010 869	6 378 986	6 998 379
<b>Expenditure - Functional</b>																
Governance and administration		109 987	109 987	109 987	109 987	109 987	109 987	109 987	109 987	109 987	109 987	109 987	109 987	1 319 843	1 403 769	1 493 440
Executive and council		13 601	13 601	13 601	13 601	13 601	13 601	13 601	13 601	13 601	13 601	13 601	13 601	163 210	171 604	180 639
Finance and administration		94 840	94 840	94 840	94 840	94 840	94 840	94 840	94 840	94 840	94 840	94 840	94 840	1 138 076	1 212 594	1 292 178
<b>Internal audit</b>		1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	18 556	19 571	20 622
Community and public safety		36 327	36 327	36 327	36 327	36 327	36 327	36 327	36 327	36 327	36 327	36 327	36 327	435 919	493 245	511 208
Community and social services		6 968	6 968	6 968	6 968	6 968	6 968	6 968	6 968	6 968	6 968	6 968	6 968	83 620	88 434	93 215
Sport and recreation		20 485	20 485	20 485	20 485	20 485	20 485	20 485	20 485	20 485	20 485	20 485	20 485	245 824	294 822	300 623
Public safety		5 928	5 928	5 928	5 928	5 928	5 928	5 928	5 928	5 928	5 928	5 928	5 928	71 139	72 694	78 048
Housing		2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	26 789	28 273	29 812
<b>Health</b>		712	712	712	712	712	712	712	712	712	712	712	712	8 548	9 020	9 510
Economic and environmental services		69 028	69 028	69 028	69 028	69 028	69 028	69 028	69 028	69 028	69 028	69 028	69 028	828 335	851 861	910 399
Planning and development		11 452	11 452	11 452	11 452	11 452	11 452	11 452	11 452	11 452	11 452	11 452	11 452	137 421	138 467	146 478
Road transport		54 973	54 973	54 973	54 973	54 973	54 973	54 973	54 973	54 973	54 973	54 973	54 973	659 679	680 786	729 580
<b>Environmental protection</b>		2 603	2 603	2 603	2 603	2 603	2 603	2 603	2 603	2 603	2 603	2 603	2 603	31 234	32 608	34 341
Trading services		213 010	213 010	213 010	213 010	213 010	213 010	213 010	213 010	213 010	213 010	213 010	213 010	2 556 116	2 820 209	3 091 926
Energy sources		137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	137 595	1 651 138	1 847 504	2 062 062
Water management		50 259	50 259	50 259	50 259	50 259	50 259	50 259	50 259	50 259	50 259	50 259	50 259	603 102	635 973	674 392
Waste water management		10 265	10 265	10 265	10 265	10 265	10 265	10 265	10 265	10 265	10 265	10 265	10 265	123 180	147 025	155 941
<b>Waste management</b>		14 891	14 891	14 891	14 891	14 891	14 891	14 891	14 891	14 891	14 891	14 891	14 891	178 696	189 707	199 531
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
#REF!		428 351	428 351	428 351	428 351	428 351	428 351	428 351	428 351	428 351	428 351	428 351	428 351	5 140 213	5 569 083	6 006 974
<b>Surplus/(Deficit) before assoc.</b>		72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	870 656	809 902	991 405
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	72 555	870 656	809 902	991 405

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

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Chief operations office		100	100	100	100	100	100	100	100	100	100	100	100	1 197	1 331	3 040
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		25 461	25 461	25 461	25 461	25 461	25 461	25 461	25 461	25 461	25 461	25 461	25 461	305 529	292 806	393 935
Vote 4 - Energy services		4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	55 155	47 288	31 608
Vote 5 - Community Services		8 534	8 534	8 534	8 534	8 534	8 534	8 534	8 534	8 534	8 534	8 534	8 534	102 407	117 333	129 308
Vote 6 - Public safety		1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	23 612	30 687	40 647
Vote 7 - Corporate and Shared Services		3 052	3 052	3 052	3 052	3 052	3 052	3 052	3 052	3 052	3 052	3 052	3 052	36 625	21 707	33 775
Vote 8 - Planning and Economic Development		1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	17 539	20 567	22 020
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		23 173	23 173	23 173	23 173	23 173	23 173	23 173	23 173	23 173	23 173	23 173	23 173	278 079	173 471	195 971
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	820 142	705 190	850 305
<b>Total Capital Expenditure</b>	2	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	820 142	705 190	850 305

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

Description	###	Budget Year 2024/25											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	38 135	22 956	38 235
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	3 178	38 135	22 956	38 235
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	7 897	94 763	106 520	116 494
Community and social services		1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	21 985	29 818	26 687
Sport and recreation		6 065	6 065	6 065	6 065	6 065	6 065	6 065	6 065	6 065	6 065	6 065	6 065	72 778	76 652	89 707
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	50	100
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		24 885	24 885	24 885	24 885	24 885	24 885	24 885	24 885	24 885	24 885	24 885	24 885	298 618	195 739	232 272
Planning and development		1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	17 539	20 567	22 020
Road transport		23 423	23 423	23 423	23 423	23 423	23 423	23 423	23 423	23 423	23 423	23 423	23 423	281 079	175 171	210 251
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		32 385	32 385	32 385	32 385	32 385	32 385	32 385	32 385	32 385	32 385	32 385	32 385	388 626	379 975	463 304
Energy sources		4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	55 155	47 288	31 608
Water management		20 573	20 573	20 573	20 573	20 573	20 573	20 573	20 573	20 573	20 573	20 573	20 573	246 872	157 203	170 064
Waste water management		4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	58 657	135 604	223 871
Waste management		2 328	2 328	2 328	2 328	2 328	2 328	2 328	2 328	2 328	2 328	2 328	2 328	27 942	39 881	37 761
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	820 142	705 190	850 305
<b>Funded by:</b>																
National Government		51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	615 963	560 501	695 386
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		51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	51 330	615 963	560 501	695 386
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		17 015	17 015	17 015	17 015	17 015	17 015	17 015	17 015	17 015	17 015	17 015	17 015	204 178	144 689	154 918
<b>Total Capital Funding</b>		68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	68 345	820 142	705 190	850 305

LIM354 Polokwane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	48 180	48 180	48 180	48 180	48 180	48 180	48 180	48 180	48 180	48 180	48 180	48 180	578 163	601 494	631 782
Service charges - electricity revenue	147 293	147 293	147 293	147 293	147 293	147 293	147 293	147 293	147 293	147 293	147 293	147 293	1 767 521	1 994 015	2 250 221
Service charges - water revenue	29 438	29 438	29 438	29 438	29 438	29 438	29 438	29 438	29 438	29 438	29 438	29 438	353 254	387 552	425 443
Service charges - sanitation revenue	12 001	12 001	12 001	12 001	12 001	12 001	12 001	12 001	12 001	12 001	12 001	12 001	144 014	151 215	160 288
Service charges - refuse revenue	11 565	11 565	11 565	11 565	11 565	11 565	11 565	11 565	11 565	11 565	11 565	11 565	138 778	145 717	154 460
Rental of facilities and equipment	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	15 078	15 832	16 782
Interest earned - external investments	3 117	3 117	3 117	3 117	3 117	3 117	3 117	3 117	3 117	3 117	3 117	3 117	37 399	39 269	41 625
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	38 412	40 333	42 753
Licences and permits	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	1 215	14 580	15 309	16 228
Agency services	2 426	2 426	2 426	2 426	2 426	2 426	2 426	2 426	2 426	2 426	2 426	2 426	29 117	30 572	32 407
Transfers and Subsidies - Operational	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	138 844	1 666 130	1 744 744	1 802 510
Other revenue	13 347	13 347	13 347	13 347	13 347	13 347	13 347	13 347	13 347	13 347	13 347	(99 489)	47 331	49 697	52 679
<b>Cash Receipts by Source</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>411 884</b>	<b>299 048</b>	<b>4 829 777</b>	<b>5 215 748</b>	<b>5 627 176</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	59 030	708 358	644 576	799 694
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	0	0	0	0	0	0	0	0	0	0	0	0	5	5	5
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	9 403	9 403	9 403	9 403	9 403	9 403	9 403	9 403	9 403	9 403	9 403	(216 269)	112 836	98 114	112 328
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>480 318</b>	<b>141 809</b>	<b>5 650 976</b>	<b>5 958 443</b>	<b>6 539 204</b>
<b>Cash Payments by Type</b>															
Employee related costs	107 191	107 191	107 191	107 191	107 191	107 191	107 191	107 191	107 191	107 191	107 191	107 191	1 286 294	1 348 574	1 434 289
Remuneration of councillors	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	45 082	47 607	50 225
Interest	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	40 588	42 658	44 791
Bulk purchases - electricity	103 207	103 207	103 207	103 207	103 207	103 207	103 207	103 207	103 207	103 207	103 207	103 207	1 238 483	1 399 486	1 581 419
Acquisitions - water & other inventory	26 007	26 007	26 007	26 007	26 007	26 007	26 007	26 007	26 007	26 007	26 007	26 007	312 088	345 059	362 310
Contracted services	77 457	77 457	77 457	77 457	77 457	77 457	77 457	77 457	77 457	77 457	77 457	77 457	929 489	980 976	1 031 022
Transfers and subsidies - other municipalities	792	792	792	792	792	792	792	792	792	792	792	792	9 500	9 500	9 500
Transfers and subsidies - other	38	38	38	38	38	38	38	38	38	38	38	38	456	456	456
Other expenditure	68 668	68 668	68 668	68 668	68 668	68 668	68 668	68 668	68 668	68 668	68 668	68 668	824 020	889 615	962 614
<b>Cash Payments by Type</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>390 500</b>	<b>4 686 000</b>	<b>5 063 931</b>	<b>5 476 625</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	64 928	64 928	64 928	64 928	64 928	64 928	64 928	64 928	64 928	64 928	64 928	64 928	779 135	669 930	807 789
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	11 566	11 566	11 566	11 566	11 566	11 566	11 566	11 566	11 566	11 566	11 566	11 566	138 788	131 848	125 256
<b>Total Cash Payments by Type</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>466 994</b>	<b>5 603 922</b>	<b>5 865 710</b>	<b>6 409 671</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>13 324</b>	<b>(325 184)</b>	<b>47 054</b>	<b>92 734</b>	<b>129 534</b>
Cash/cash equivalents at the month/year begin:	184 371	197 696	211 020	224 344	237 668	250 992	264 316	277 640	290 965	304 289	317 613	330 937	184 371	231 425	324 159
Cash/cash equivalents at the month/year end:	197 696	211 020	224 344	237 668	250 992	264 316	277 640	290 965	304 289	317 613	330 937	5 753	231 425	324 159	453 692



LIM354 Polokwane - NOT REQUIRED - municipality does not have entities

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R million</b>										
<b>Financial Performance</b>										
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)		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	-	-
Employee costs		-	-	-	-	-	-	-	-	-
Remuneration of Board Members		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	-	-	-	-	-	-	-	-
Intercountry/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	-	-	-
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>		-	-	-	-	-	-	-	-	-
<b>Financial position</b>										
#REF!		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
Community wealth/Equity		-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>		-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA32 List of external mechanisms

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

References

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

LIM354 Polokwane - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework			Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Total Contract Value
		Total	Original Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>	1,3													
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Entities:</b>														
<b>Revenue Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-

References

- Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
- List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)
- 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	##	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		390 465	325 734	406 364	477 400	622 983	622 983	450 106	402 542	481 848
Roads Infrastructure		64 698	112 005	33 791	78 580	70 855	70 855	77 366	50 330	51 191
Roads		1 797	585	18 957	59 061	58 009	58 009	57 873	26 697	45 539
Road Structures		62 901	111 420	14 834	18 793	12 121	12 121	19 493	19 871	5 652
Road Furniture		-	-	-	725	725	725	-	3 763	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	2 142	14 953	12 594	10 165	10 165	17 842	4 632	-
Drainage Collection		-	2 142	13 158	12 594	10 165	10 165	17 842	4 632	-
Storm water Conveyance		-	-	1 795	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		45 519	41 449	63 514	87 443	70 011	70 011	52 533	47 288	30 108
Power Plants		-	-	-	-	1 739	1 739	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	15 864	-	8 936	8 936	-	-	-
HV Transmission Conductors		44 605	36 142	24 829	52 955	18 208	18 208	27 478	17 809	11 760
MV Substations		-	-	-	870	870	870	5 000	20 000	10 000
MV Switching Stations		914	-	-	4 348	4 420	4 420	-	-	-
MV Networks		-	164	13 112	-	-	-	-	-	-
LV Networks		-	-	8 783	24 488	31 055	31 055	20 055	9 478	8 348
Capital Spares		-	5 143	926	4 783	4 783	4 783	-	-	-
Water Supply Infrastructure		194 289	132 863	166 845	187 281	246 582	246 582	225 743	131 134	142 606
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		89 570	11 945	-	12 552	22 698	22 698	12 434	11 451	6 427
Reservoirs		4 450	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	38 372	-	-	-	-	-	-
Bulk Mains		65 863	42 089	72 730	136 280	178 800	178 800	157 904	83 831	111 491
Distribution		34 405	48 163	55 744	37 154	45 084	45 084	47 545	35 312	24 329
Distribution Points		-	30 667	-	1 295	(0)	(0)	7 861	540	359
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		85 037	36 576	127 262	105 167	219 283	219 283	55 222	135 225	222 182
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	10 232	-	-	-	-	-	-
Waste Water Treatment Works		85 037	36 576	117 029	96 471	210 587	210 587	55 222	135 225	222 182
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	0	8 696	8 696	8 696	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		830	699	-	6 087	6 087	6 087	20 442	33 035	34 561
Landfill Sites		-	-	-	2 609	2 656	2 656	5 549	22 609	26 087
Waste Transfer Stations		743	699	-	435	435	435	12 893	7 926	6 074
Waste Processing Facilities		-	-	-	435	388	388	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		87	-	-	2 609	2 609	2 609	2 000	2 500	2 400
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		91	-	-	249	(0)	(0)	958	899	1 200
Data Centres		91	-	-	249	(0)	(0)	958	899	1 200
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

<b>Community Assets</b>	<b>118 971</b>	<b>56 437</b>	<b>43 405</b>	<b>93 724</b>	<b>79 927</b>	<b>79 927</b>	<b>107 013</b>	<b>92 382</b>	<b>107 417</b>
Community Facilities	84 664	29 199	31 486	73 699	53 903	53 903	63 799	42 897	59 478
Halls	-	909	(0)	1 304	1 304	1 304	1 311	-	580
Centres	916	6 792	1 724	2 174	1 304	1 304	1 197	2 238	9 922
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	2 000	2 200	400
Testing Stations	4 301	2 125	-	-	3 500	3 500	7 509	5 414	6 200
Museums	79	-	-	51	51	51	237	-	840
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	2	(0)	292	292	292	1 400	700	2 600
Cemeteries/Crematoria	-	-	-	-	-	-	3 500	600	3 000
Police	-	1 226	374	-	-	-	-	50	100
Parks	-	-	-	-	-	-	-	3 093	-
Public Open Space	-	1 622	-	2 388	2 388	2 388	3 312	4 334	6 087
Nature Reserves	-	-	-	-	-	-	-	50	-
Public Ablution Facilities	161	-	917	6 725	5 521	5 521	1 739	1 170	1 823
Markets	-	-	0	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	79 018	15 650	28 471	60 764	39 542	39 542	41 596	22 797	27 826
Capital Spares	189	874	-	-	-	-	-	250	100
Sport and Recreation Facilities	34 307	27 238	11 919	20 024	26 024	26 024	43 214	49 485	47 939
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	34 307	27 238	11 919	20 024	26 024	26 024	43 214	49 485	47 939
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	50	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	50	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	2 265	5 588	11 614	19 157	19 157	17 539	20 567	35 803
Revenue Generating	-	2 265	1 461	10 505	18 048	18 048	17 539	19 634	35 346
Improved Property	-	-	1 461	7 561	15 561	15 561	15 354	18 222	34 546
Unimproved Property	-	2 265	(0)	2 944	2 487	2 487	2 185	1 411	800
Non-revenue Generating	-	-	4 127	1 108	1 108	1 108	-	934	457
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	4 127	1 108	1 108	1 108	-	934	457
<b>Other assets</b>	1 158	248	1 017	2 173	1 691	1 691	461	1 502	6 991
Operational Buildings	1 158	248	1 017	2 173	1 691	1 691	461	1 502	6 991
Municipal Offices	-	245	384	1 590	1 109	1 109	461	1 302	6 691
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	163	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	50	100
Stores	1 158	3	470	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	150	200
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	582	582	582	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	406	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	406	-	-	-	-	-	-
<b>Intangible Assets</b>	-	91	94	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	91	94	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	91	94	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	12 929	2 668	11 697	466	2 557	2 557	2 006	1 597	1 813
Computer Equipment	12 929	2 668	11 697	466	2 557	2 557	2 006	1 597	1 813
<b>Furniture and Office Equipment</b>	1 162	3 486	1 538	469	469	469	500	750	816
Furniture and Office Equipment	1 162	3 486	1 538	469	469	469	500	750	816
<b>Machinery and Equipment</b>	9 205	3 731	7 368	10 864	10 823	10 823	16 550	14 700	18 570
Machinery and Equipment	9 205	3 731	7 368	10 864	10 823	10 823	16 550	14 700	18 570
<b>Transport Assets</b>	54 143	31 774	16 415	71 293	58 382	58 382	51 807	30 980	50 140
Transport Assets	54 143	31 774	16 415	71 293	58 382	58 382	51 807	30 980	50 140
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-

Zoological plants and animals		-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on new assets</b>	1	588 033	426 436	493 893	668 003	795 989	795 989	646 031	565 020	703 398

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

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		11	(200 526)	(98 994)	(67 698)	(12 872)	(12 872)	(13 431)	38 817	40 685
Roads Infrastructure		11	(10 447)	(98 435)	(67 819)	(11 059)	(11 059)	(33 822)	33 635	27 894
Roads		-	13 427	(99 742)	(5 783)	(15 758)	(15 758)	(33 932)	33 276	26 730
Road Structures		11	(23 874)	1 307	500	5 127	5 127	-	-	280
Road Furniture		-	-	-	(62 537)	(428)	(428)	110	359	885
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	0	(1 029)	121	(1)	(1)	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	0	(1 029)	121	(1)	(1)	-	-	-
Water Supply Infrastructure		-	-	32	-	-	-	20 392	5 182	12 791
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	20 393	2 955	12 788
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	32	-	-	-	(1)	2 227	4
Sanitation Infrastructure		-	(190 079)	437	-	(1 811)	(1 811)	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	(190 079)	437	-	(1 811)	(1 811)	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		(203 506)	506	(58 897)	5 348	(5 125)	(5 125)	1 612	4 292	12 217
Community Facilities		(203 506)	506	(58 761)	1	8 130	8 130	(0)	2 282	7 902
Halls		7	2 044	2	-	-	-	-	-	1 458
Centres		(40)	(4 238)	(67 391)	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-

Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	(203 743)	2 699	6 761	-	-	-	-	-	1 444	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	269	1	1 866	1	8 130	8 130	(0)	2 282	5 000	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	(136)	5 347	(13 256)	(13 256)	1 612	2 010	4 316	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	(136)	5 347	(13 256)	(13 256)	1 612	2 010	4 316	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	(712)	(1 730)	(467)	3 250	20 747	20 747	7 357	19 754	543	
Operational Buildings	(712)	(1 730)	(467)	3 250	20 747	20 747	7 357	19 754	543	
Municipal Offices	(712)	(1 730)	(467)	3 250	20 747	20 747	7 357	19 754	543	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Living resources</b>	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>(204 207)</b>	<b>(201 749)</b>	<b>(158 358)</b>	<b>(59 100)</b>	<b>2 750</b>	<b>2 750</b>	<b>(4 461)</b>	<b>62 863</b>	<b>53 446</b>
<b>Renewal of Existing Assets as % of total capex</b>		-17.9%	-90.5%	-25.0%	-10.5%	0.4%	0.4%	-0.6%	8.2%	6.7%
<b>Renewal of Existing Assets as % of deprecn"</b>		-23.0%	-26.5%	-21.9%	-21.7%	1.0%	1.0%	-1.2%	13.9%	10.7%



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

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		456 881	720 717	585 819	475 596	527 057	527 057	563 581	611 850	645 042
Roads Infrastructure		73 227	260 196	116 581	72 469	93 996	93 996	103 984	113 918	116 215
Roads		-	-	10 706	-	2 616	2 616	13 435	15 017	12 156
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		73 227	260 196	105 875	72 469	91 380	91 380	90 549	98 901	104 060
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		108 569	132 170	127 509	144 343	141 622	141 622	158 038	172 697	182 047
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	6 000	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	4 000	4 000	-	-	-
Capital Spares		108 569	132 170	127 509	144 343	137 622	137 622	152 038	172 697	182 047
Water Supply Infrastructure		185 421	222 507	223 147	186 411	194 966	194 966	203 732	217 218	233 572
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		185 421	222 507	223 147	186 411	194 966	194 966	203 732	217 218	233 572
Sanitation Infrastructure		10 627	18 537	34 353	16 716	16 716	16 716	16 763	17 618	18 499
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		10 627	18 537	34 353	16 716	16 716	16 716	16 763	17 618	18 499
Solid Waste Infrastructure		79 037	87 308	84 229	55 657	79 757	79 757	81 064	90 198	94 708
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		79 037	87 308	84 229	55 657	79 757	79 757	81 064	90 198	94 708
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		40 356	47 995	49 755	63 132	59 437	59 437	63 027	66 418	69 927
Community Facilities		9 487	11 810	14 334	22 405	22 350	22 350	23 603	24 806	26 047
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	24	24	24	25	27	28
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	2 550	2 000	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	50	-	1	1	1	1	1	1
Public Ablution Facilities	-	-	-	2 849	2 849	2 849	3 003	3 157	3 314
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	6 937	9 760	14 334	19 530	19 476	19 476	20 573	21 622	22 703
Sport and Recreation Facilities	30 869	36 186	35 421	40 727	37 087	37 087	39 424	41 612	43 880
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	30 869	36 186	35 421	40 727	37 087	37 087	39 424	41 612	43 880
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	42 305	44 553	33 482	52 918	46 189	46 189	51 392	55 222	58 149
Operational Buildings	42 305	44 553	33 482	52 918	46 189	46 189	51 392	55 222	58 149
Municipal Offices	42 305	44 553	33 482	52 918	46 189	46 189	51 392	55 222	58 149
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	10 105	11 686	7 991	10 766	10 766	10 766	10 859	11 413	11 984
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	10 105	11 686	7 991	10 766	10 766	10 766	10 859	11 413	11 984
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	10 105	11 686	7 991	10 766	10 766	10 766	10 859	11 413	11 984
<b>Computer Equipment</b>	4 045	6 990	7 048	8 005	7 005	7 005	7 383	7 760	9 148
Computer Equipment	4 045	6 990	7 048	8 005	7 005	7 005	7 383	7 760	9 148
<b>Furniture and Office Equipment</b>	8 827	9 283	9 352	9 756	18 256	18 256	16 742	17 596	18 476
Furniture and Office Equipment	8 827	9 283	9 352	9 756	18 256	18 256	16 742	17 596	18 476
<b>Machinery and Equipment</b>	-	-	-	476	476	476	502	527	554
Machinery and Equipment	-	-	-	476	476	476	502	527	554
<b>Transport Assets</b>	34 688	42 374	49 956	71 416	73 260	73 260	75 355	78 124	78 674
Transport Assets	34 688	42 374	49 956	71 416	73 260	73 260	75 355	78 124	78 674
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-

Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
<b>Total Repairs and Maintenance Expenditure</b>	1	<b>597 207</b>	<b>883 598</b>	<b>743 402</b>	<b>692 066</b>	<b>742 446</b>	<b>742 446</b>	<b>788 841</b>	<b>848 910</b>	<b>891 953</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		4.9%	7.6%	5.5%	5.9%	5.6%	5.6%	6.0%	6.6%	7.1%
<b>R&amp;M as % Operating Expenditure</b>		13.8%	17.7%	14.6%	15.2%	16.2%	16.2%	17.2%	16.5%	16.0%

LIM354 Polokwane - Supporting Table SA34d Depreciation by asset class

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		573 444	474 569	477 967	180 414	180 414	180 414	270 157	294 689	340 445
Roads Infrastructure		285 250	222 807	254 804	95 989	95 989	95 989	179 173	199 065	240 040
Roads		-	-	-	-	-	-	-	-	-
Road Structures		285 250	222 807	254 804	95 989	95 989	95 989	179 173	199 065	240 040
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		35 592	28 091	17 663	10 440	10 440	10 440	11 004	11 565	12 143
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		35 592	28 091	17 663	10 440	10 440	10 440	11 004	11 565	12 143
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		44 375	39 351	36 486	13 016	13 016	13 016	13 719	14 419	15 140
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		44 375	39 351	36 486	13 016	13 016	13 016	13 719	14 419	15 140
Water Supply Infrastructure		8 106	6 857	6 358	2 268	2 268	2 268	2 391	2 513	2 638
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		8 106	6 857	6 358	2 268	2 268	2 268	2 391	2 513	2 638
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		31 346	27 797	25 773	9 195	9 195	9 195	9 691	10 185	10 695
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		31 346	27 797	25 773	9 195	9 195	9 195	9 691	10 185	10 695
Solid Waste Infrastructure		165 812	147 039	134 253	48 637	48 637	48 637	53 263	55 980	58 779
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		165 812	147 039	134 253	48 637	48 637	48 637	53 263	55 980	58 779
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		2 962	2 627	2 631	869	869	869	916	963	1 011
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		2 962	2 627	2 631	869	869	869	916	963	1 011
<b>Community Assets</b>		152 243	134 896	122 155	44 615	44 615	44 615	67 024	106 394	102 236
Community Facilities		40 411	35 846	30 318	11 851	11 851	11 851	12 491	13 128	13 785
Halls		-	-	-	-	-	-	-	-	-
Centres		3 333	2 967	2 735	976	976	976	1 028	1 081	1 135
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		256	227	211	75	75	75	79	83	87
Fire/Ambulance Stations		3 126	2 772	2 570	917	917	917	966	1 016	1 066

Testing Stations	546	484	449	160	160	160	169	177	186
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	1 106	981	910	324	324	324	342	359	377
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	5 631	4 994	4 630	1 652	1 652	1 652	1 741	1 830	1 921
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	111	99	92	33	33	33	34	36	38
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	26 301	23 323	18 723	7 715	7 715	7 715	8 131	8 546	8 973
Sport and Recreation Facilities	111 832	99 050	91 837	32 763	32 763	32 763	54 533	93 266	88 451
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	7 075	6 274	5 817	2 075	2 075	2 075	2 187	2 299	2 414
Capital Spares	104 757	92 776	86 020	30 688	30 688	30 688	52 345	90 966	86 037
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	4 340	3 848	3 568	1 273	1 273	1 273	1 342	1 410	1 481
Operational Buildings	4 340	3 848	3 568	1 273	1 273	1 273	1 342	1 410	1 481
Municipal Offices	4 340	3 848	3 568	1 273	1 273	1 273	1 342	1 410	1 481
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	4 426	142	3 580	47	47	47	49	52	54
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	4 426	142	3 580	47	47	47	49	52	54
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	4 426	142	3 580	47	47	47	49	52	54
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	4 826	10 012	(3 499)	2 586	2 586	2 586	2 726	2 865	3 008
Computer Equipment	4 826	10 012	(3 499)	2 586	2 586	2 586	2 726	2 865	3 008
<b>Furniture and Office Equipment</b>	33 421	36 057	28 997	9 803	9 803	9 803	10 333	10 859	11 402
Furniture and Office Equipment	33 421	36 057	28 997	9 803	9 803	9 803	10 333	10 859	11 402
<b>Machinery and Equipment</b>	13 042	13 007	10 707	3 820	3 820	3 820	4 026	4 231	4 443
Machinery and Equipment	13 042	13 007	10 707	3 820	3 820	3 820	4 026	4 231	4 443
<b>Transport Assets</b>	101 939	89 645	79 691	29 662	29 662	29 662	31 264	32 858	34 501
Transport Assets	101 939	89 645	79 691	29 662	29 662	29 662	31 264	32 858	34 501
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-

Mature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>	-	-	-	-	-	-	-	-	-	
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>	-	-	-	-	-	-	-	-	-	
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-	-	-	
<b>Total Depreciation</b>	1	887 679	762 176	723 166	272 220	272 220	272 220	386 920	453 359	497 571

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

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>	1	641 549	1 389	296 153	(41 585)	(79 001)	(79 001)	53 336	68 609	36 257
<b>Infrastructure</b>		647 068	2 457	312 350	(48 136)	16 754	16 754	30 172	15 251	21 712
Roads Infrastructure		(6 742)	3 623	312 584	(45 147)	(5 189)	(5 189)	23 888	8 749	(5 454)
Roads		653 811	(1 166)	(234)	(3 001)	17 234	17 234	6 235	1 285	26 957
Road Structures		-	-	-	12	4 709	4 709	49	5 217	210
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	(0)	6 138	(67 300)	(67 300)	16 308	50 323	156
Drainage Collection		-	-	(0)	6 138	(4 763)	(4 763)	16 308	50 323	156
Storm water Conveyance		-	-	-	-	(62 537)	(62 537)	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	66	-	-	-	-	2 349	-	55
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	2 034	-	55
HV Switching Stations		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	66	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	315	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		(5 528)	535	(16 267)	(0)	(3 340)	(3 340)	(0)	1 530	13 043
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		588	535	(16 267)	(0)	(3 340)	(3 340)	(0)	1 530	13 043
Bulk Mains		(6 117)	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		7	(1 683)	-	-	-	-	4 019	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		7	(1 683)	-	-	-	-	4 019	-	-
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		2	(6)	70	414	(25 115)	(25 115)	489	1 505	1 291
Data Centres		2	(6)	70	414	(25 115)	(25 115)	489	1 505	1 291
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		(516)	(2 260)	-	(1 118)	4 868	4 868	17 044	62 554	7 682
Community Facilities		(374)	(2 227)	-	(1 192)	10	10	10 052	59 940	6 854
Halls		-	-	-	-	-	-	-	-	-
Centres		-	(2 191)	-	-	-	-	-	53	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	(37)	-	(1 182)	3	3	2 268	608	357

Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	-	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	3 905	54 849	5 756	-	
Public Open Space	-	-	-	-	-	2 500	1 159	179	-	
Nature Reserves	-	-	-	(10)	8	8	1 418	3 271	275	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	287	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	(374)	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	(142)	(33)	-	74	4 858	4 858	6 952	2 614	828	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	(142)	(33)	-	74	4 858	4 858	6 952	2 614	828	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	112 991	(939)	1 277	(1 304)	1 304	1 304	3 172	10 610	426	
Operational Buildings	112 991	(939)	1 277	(1 304)	1 304	1 304	3 172	10 610	426	
Municipal Offices	112 991	(809)	1 277	(1 304)	1 304	1 304	2 172	42	61	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	(130)	-	-	-	-	1 000	10 568	365	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Living resources</b>	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	754 024	(1 830)	297 430	(44 007)	(72 829)	(72 829)	73 552	141 773	44 365
<b>Upgrading of Existing Assets as % of total capex</b>		66.3%	-0.8%	47.0%	-7.8%	-10.0%	-10.0%	10.3%	18.4%	5.5%



Upgrading of Existing Assets as % of depreca		84.9%	-0.2%	41.1%	-16.2%	-26.8%	-26.8%	19.0%	31.3%	8.9%
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**LIM354 Polokwane - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Chief operations office		1 197	1 331	3 040				
Vote 2 - Municipal managers office		-	-	-				
Vote 3 - Water and sanitation		305 529	292 806	393 935				
Vote 4 - Energy services		55 155	47 288	31 608				
Vote 5 - Community Services		102 407	117 333	129 308				
Vote 6 - Public safety		23 612	30 687	40 647				
Vote 7 - Corporate and Shared Services		36 625	21 707	33 775				
Vote 8 - Planning and Economic Development		17 539	20 567	22 020				
Vote 9 - Budget and Treasury office		-	-	-				
Vote 10 - Transport Operations		278 079	173 471	195 971				
Vote 11 - Human Settlement		-	-	-				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>820 142</b>	<b>705 190</b>	<b>850 305</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Chief operations office		160 231	165 973	179 825				
Vote 2 - Municipal managers office		120 414	126 466	133 075				
Vote 3 - Water and sanitation		726 282	782 999	830 333				
Vote 4 - Energy services		1 651 138	1 847 504	2 062 062				
Vote 5 - Community Services		511 636	577 168	597 790				
Vote 6 - Public safety		404 490	413 676	447 945				
Vote 7 - Corporate and Shared Services		352 602	373 993	399 315				
Vote 8 - Planning and Economic Development		121 094	124 188	131 409				
Vote 9 - Budget and Treasury office		541 589	582 125	615 538				
Vote 10 - Transport Operations		523 948	546 720	579 870				
Vote 11 - Human Settlement		26 789	28 273	29 812				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		<b>5 140 213</b>	<b>5 569 083</b>	<b>6 006 974</b>	-	-	-	-
<b>Future revenue by source</b>	3							
Exchange Revenue								
Service charges - Electricity		1 984 455	2 242 434	2 533 950				
Service charges - Water		382 411	420 652	462 718				
Service charges - Waste Water Management		156 158	163 966	173 804				
Service charges - Waste Management		150 139	157 646	167 104				
Agency services		33 467	35 141	37 249				
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		<b>2 706 630</b>	<b>3 019 838</b>	<b>3 374 825</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>3 253 725</b>	<b>3 254 435</b>	<b>3 482 453</b>	-	-	-	-

**References**

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

LIM354 Polokwane - Supporting Table SA36 Detailed capital budget

R thousand												2024/25 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 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
<b>Parent municipality:</b>																	
<i>List all capital projects grouped by Function</i>																	
<b>Parent Capital expenditure</b>												--	--	--	--	--	
<b>Entities:</b>																	
<i>List all capital projects grouped by Entity</i>																	
<b>Entity A</b>																	
<i>Water project A</i>																	
<b>Entity B</b>																	
<i>Electricity project B</i>																	
<b>Entity Capital expenditure</b>												--	--	--	--	--	
<b>Total Capital expenditure</b>												--	--	--	--	--	

**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 A3 and asset sub-class as per table SA34  
 GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.  
 Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13  
 Project Number consists of MSCOA Project Longcode and seq No (sample PO01/002006002\_00002)

check 632 965 725 910 715 122 769 655 801 210

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

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
														Original Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Parent municipality:</b>																		
<i>List all capital projects grouped by Function</i>																		
<b>Entities:</b>																		
<i>List all capital projects grouped by Entity</i>																		
	<b>Entity Name</b> 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	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2024/25 Medium	
													Audited Outcome 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	
<b>Parent municipality:</b> <i>List all operational projects grouped by Function</i>																
<b>Parent Operational expenditure</b>														-	-	-
<b>Entities:</b> <i>List all Operational projects grouped by Entity</i>																
<b>Entity A</b> Water project A																
<b>Entity B</b> Electricity project B																
<b>Entity Operational expenditure</b>														-	-	-
<b>Total Operational expenditure</b>														-	-	-

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 P0001001002001002001002\_00066)

check 5 106 987 4 583 348 5 140 213

# Annexure C:

## POLOKWANE HOUSING ASSOCIATION

### BUDGET



# DRAFT BUDGET

POLOKWANE HOUSING ASSOCIATION



## **Annual Budget and service delivery agreement - Polokwane Housing Association (PHA) For the Period 2024/2025 to 2026/2027**

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

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

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

The financial plan for 2024/25 reflects that, with the projected allocation of all rental units of 1150 units, the entity will be generating R42.1million for the year. The 2024/25 budget process was prepared following a similar approach used in previous years. The budget takes into account the current market conditions, such as inflation, historical trend analysis, as well as the proposed Polokwane Municipality budget guidelines. The budgeted operating deficit is projected at R1.8mil for the year, this deficit is mainly due non-cash items (Depreciation and Impairment of Receivables) of R7.6million.



## Inflation rate

“Housing & utilities inflation reached 5,7%, the highest annual increase since May 2017, when the rate was also 5,7%. Actual and imputed rentals both recorded a quarterly increase of 0,8%, taking the annual rate for actual rentals to 3,1% and for imputed rentals to 3,0%.” As per Stats SA

The Rental CPI for Ga Rena is calculated as follows:

Description	Current Rental amount	Inflation rate	Expected monthly rental
1 Bedroom unit	R1 275	5%	R1 339
2 Bedroom unit	R1 800	5%	R1 890
3 Bedroom unit	R2 190	5%	R2 300

The Rental CPI for CRU is calculated as follows:

Description	Current Rental amount	Inflation rate	Expected monthly rental
1 Bedroom unit	R400	5%	R420
2 Bedroom unit	R800	5%	R840
Live and work	R1300	5%	R1 365
Commercial 1	R3500	5%	R3 675
Commercial 2	R4 056	5%	R4 259

*Note: The 5% increase will result in an annual total rental increase of R625 942*

The 2024/25 budget includes a R10million operational grant which would assist the entity in making certain that the entity’s cash flow remains positive and that the entity is able to fund its operations. For 2024/25 and 2025/26 the operational grant remains at R10million. For two outer years the operational budget is split between R7million to fund operations R3million will go towards maintenance of Ga-Rena.

For 2024/25 employment costs are budgeted at 6% for budget purposes which is consistent with South African Local Government Bargaining Council.

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

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

### **How entity intends on Funding Deficit**

The budget for the entity shows the deficit for the year 2024/24 of R1.8 million, but if you add back depreciation of R7.6 mil of non-cash item it shows that the entity has surplus of R5.8 million. The entity will be embarking on Public Private Partnerships to try and secure funding for new projects that which will alleviate the deficit. For the period between 2026 and 2028 financial year the entity is projecting to develop 754 Gap market units and 5116 student accommodation beds. These projects are to be developed using the Built Operate and Transfer model (BOT). Under this model the entity is putting forth as its own equity contribution land as investment- the entity has land availability agreement with Parent Municipality to utilise for this purpose and the land is serviced ready for development. After 30 years the private sector partners will transfer the facility to the entity. In the meantime the private sector partners will be paying the entity royalties monthly. This new developments will lessen PHA's dependency on the municipality. The PHA's existence is informed by the SMART pillar which forms one of the Municipality's SMART Pillars. i.e SMART Economy. Etc. in attainment of vision 2030 smart city.

# Service Delivery Agreement between the City and the PHA

## Service Delivery Agreement

<b>Period of Agreement</b>	No period stipulated but subject to annual reviews in terms of Section 93A of the systems Act
<b>Service Provided</b>	Rentals of Units
<b>Expiry date of SDA</b>	N/A
<b>Monetary value</b>	1 000. Of R1 shares worth R1000
<b>Ownership and control</b>	Shareholding as at 31 December 2023 Polokwane Municipality 100%
<b>Mandate</b>	Develop and Manage Intergrated Human Settlements
<b>Funding over medium term</b>	R10 Million 2024/25 R10 Million 2025/26 R10 Million 2026/27
<b>Summary of SDA</b>	Sets out the obligation of PHA to Polokwane Municipality in respect of compliance and performance Issues
<b>Past performance and future objectives</b>	Has fairly met targets in the past, except with Ga-Rena Project which is cumbersome, PHA is confident that it will maintain high level of rental occupation and rental collection.  PHA hopes to meet future housing demands

# ANNADALE EXT 2



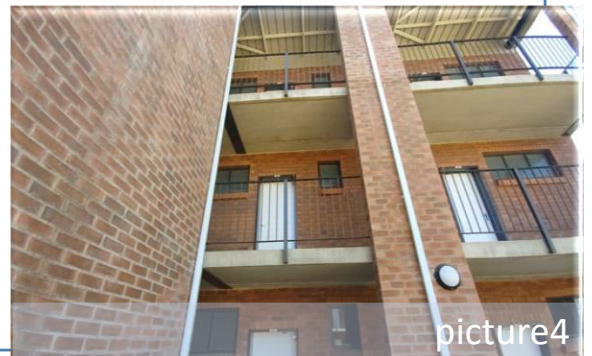
picture1



picture2



picture3



picture4

## SUMMARY

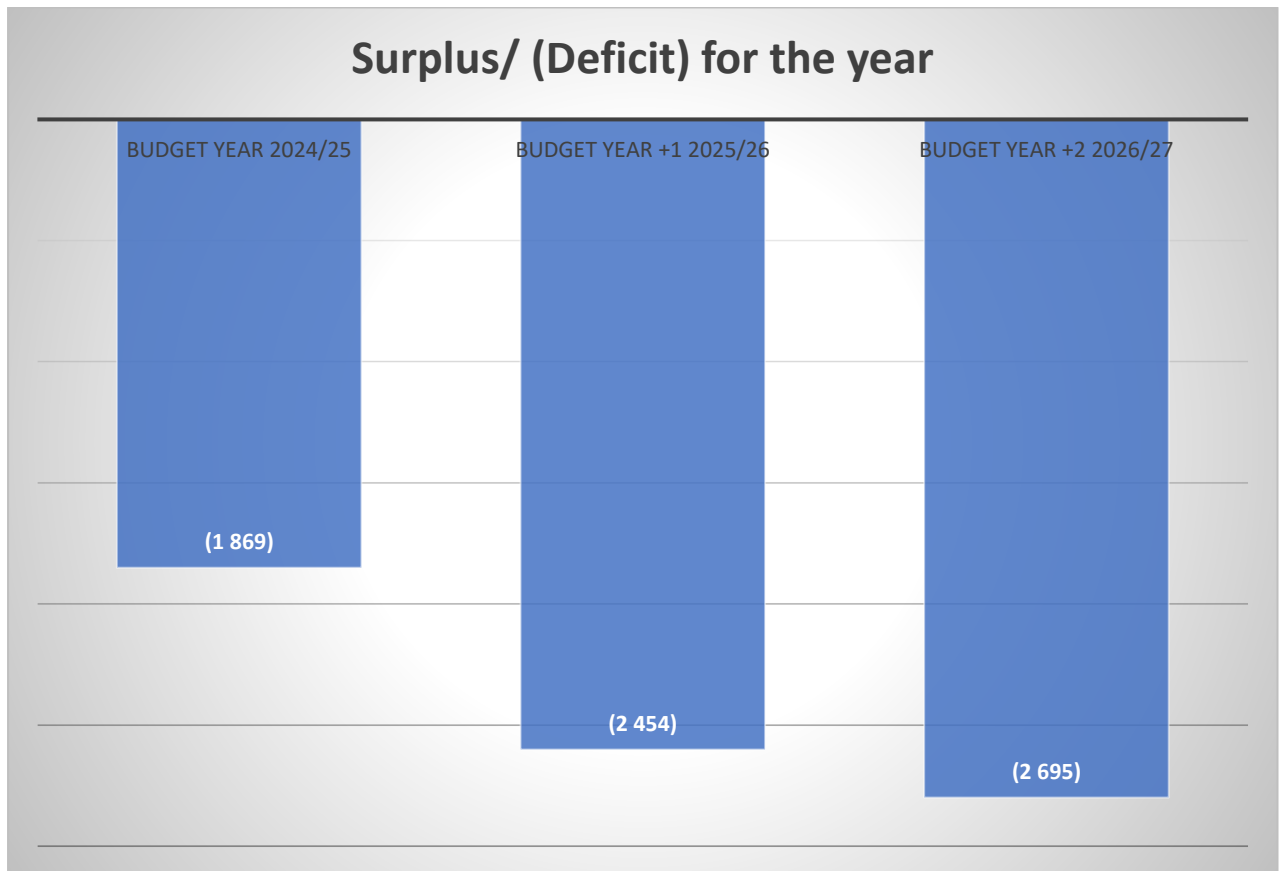
1. The draft annual budget for the financial year 2024/2025 and indicative for the two projected outer years 2025/2026 and 2026/2027 can be summarized as follow:

### Operating revenue and expenditure summary:

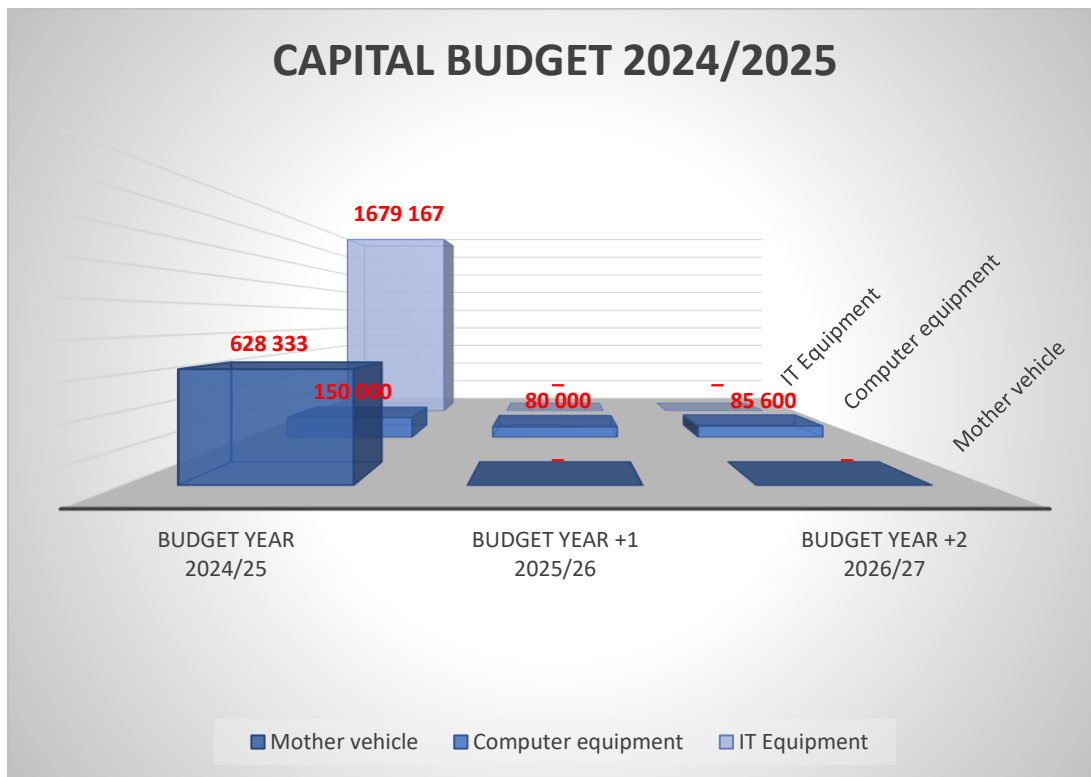
Description	2024/25 Medium Term Revenue & Expenditure Framework			
	R Million	Budget Year 2024/25 '000	Budget Year +1 2025/26 '000	Budget Year +2 2026/27 '000
Rental from Fixed Assets		32 051	34 051	34 051
Admin Fee		80	80	80
Transfers and subsidies-Operational grant		10 000	10 000	10 000
<b>Total Revenue</b>		<b>42 131</b>	<b>44 13</b>	<b>44 131</b>
<b>Total Expenditure</b>		<b>44 000</b>	<b>46 585</b>	<b>46 826</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>

Description	2024/25 Medium Term Revenue & Expenditure Framework			
	R Million	Budget Year 2024/25 '000	Budget Year +1 2025/26 '000	Budget Year +2 2026/27 '000
Employee related costs		16 336	17 33	17 735
Inventory consumed		10	11	11
Depreciation and asset impairment		7 600	8 132	8 701
Contracted services		11 321	12 113	12 956
Irrecoverable debts written off		5 00	5 000	5 000
Operational costs		3 73	3 993	2 417
<b>Total Expenditure</b>		<b>44 000</b>	<b>46 585</b>	<b>46 826</b>

## Surplus and deficit



The table below represents the Capital Budget



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# Municipal annual budgets and MTREF & supporting tables

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**Contact details:**

Technical enquiries to the MFMA Helpline at:  
[lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za)



- Table D1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	11 811	14 000	9 191	10 000	15 000	15 000	10 000	10 000	10 000
Other own revenue	11 308	11 501	11 567	27 578	12 638	12 638	32 131	34 131	34 131
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>23 118</b>	<b>25 501</b>	<b>20 758</b>	<b>37 578</b>	<b>27 638</b>	<b>27 638</b>	<b>42 131</b>	<b>44 131</b>	<b>44 131</b>
Employee costs	10 128	10 875	10 179	16 846	15 690	15 690	16 336	17 336	17 735
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Depreciation and Debt impairment	5 149	2 598	5 300	9 527	7 451	7 451	7 600	8 132	8 701
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	1	12	5	5	10	11	11
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	14 504	13 921	10 132	18 344	19 383	19 383	20 054	21 106	20 377
<b>Total Expenditure</b>	<b>29 781</b>	<b>27 394</b>	<b>25 612</b>	<b>44 730</b>	<b>42 529</b>	<b>42 529</b>	<b>44 000</b>	<b>46 585</b>	<b>46 826</b>
<b>Surplus/(Deficit)</b>	<b>(6 663)</b>	<b>(1 893)</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>
Transfers and subsidies - capital (monetary allocations)	107 999	28 589	(0)	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>contributions</b>	<b>101 337</b>	<b>26 696</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>
Income Tax	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>101 337</b>	<b>26 696</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	109 107	23 198	(219 954)	2 070	2 070	2 070	2 458	80	86
Transfers recognised - capital	109 160	23 198	(219 954)	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	2 070	2 070	2 070	2 458	80	86
<b>Total sources of capital funds</b>	<b>109 160</b>	<b>23 198</b>	<b>(219 954)</b>	<b>2 070</b>	<b>2 070</b>	<b>2 070</b>	<b>2 458</b>	<b>80</b>	<b>86</b>
<b>Financial position</b>									
Total current assets	56 205	74 150	3 762	19 061	10 129	10 129	52 004	85 538	124 601
Total non current assets	283 445	375 338	420 979	294 045	296 121	296 121	296 359	288 307	279 692
Total current liabilities	-	-	-	-	-	-	-	-	-
Total non current liabilities	1	-	1	-	-	-	-	-	-
Community wealth/Equity	268 155	351 761	415 577	298 274	290 535	290 535	303 556	295 569	292 875
<b>Cash flows</b>									
Net cash from (used) operating	1 820	1	(4 840)	9 954	14 954	(11 032)	(50)	(53)	(57)
Net cash from (used) investing	(93 537)	(40 267)	(675)	(1 863)	(1 863)	(5)	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(91 717)</b>	<b>(38 420)</b>	<b>(3 144)</b>	<b>10 462</b>	<b>15 462</b>	<b>(7 624)</b>	<b>2 320</b>	<b>2 267</b>	<b>2 210</b>

- Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Ass		-	-	0	-	-	-	116	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		11 288	9 362	11 440	27 518	12 518	12 518	10 065	32 051	34 051	34 051
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		28	1 973	46	60	120	120	29	80	80	80
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	166	81	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		11 811	14 000	9 191	10 000	15 000	15 000	12 208	10 000	10 000	10 000
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(8)	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and Expenditure)</b>		<b>23 118</b>	<b>25 501</b>	<b>20 758</b>	<b>37 578</b>	<b>27 638</b>	<b>27 638</b>	<b>22 418</b>	<b>42 131</b>	<b>44 131</b>	<b>44 131</b>
<b>Expenditure</b>											
Employee related costs	2	10 128	10 875	10 179	16 846	15 690	15 690	9 231	16 336	17 336	17 735
Remuneration of Board Members		-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	1	12	5	5	-	10	11	11
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		5 149	2 598	5 300	9 527	7 451	7 451	5 573	7 600	8 132	8 701
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		3 897	5 351	3 483	7 198	9 330	9 330	4 457	11 321	12 113	12 961
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		8 359	6 726	4 686	8 000	7 000	7 000	-	5 000	5 000	5 000
Operational costs		2 249	1 844	1 962	3 146	3 053	3 053	1 821	3 733	3 993	2 417
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>29 781</b>	<b>27 394</b>	<b>25 612</b>	<b>44 730</b>	<b>42 529</b>	<b>42 529</b>	<b>21 082</b>	<b>44 000</b>	<b>46 585</b>	<b>46 826</b>
<b>Surplus/(Deficit)</b>		<b>(6 663)</b>	<b>(1 893)</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>1 335</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>
Transfers and subsidies - capital (monetary)	6	107 999	28 589	(0)	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>101 337</b>	<b>26 696</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>1 335</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>101 337</b>	<b>26 696</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>1 335</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>101 337</b>	<b>26 696</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>1 335</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>101 337</b>	<b>26 696</b>	<b>(4 854)</b>	<b>(7 151)</b>	<b>(14 890)</b>	<b>(14 890)</b>	<b>1 335</b>	<b>(1 869)</b>	<b>(2 454)</b>	<b>(2 695)</b>

<b>Investment properties</b>		<b>109 160</b>	<b>23 198</b>	<b>(219 954)</b>	-	-	-	-	-	-
Revenue Generating		109 160	23 198	(219 954)	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		109 160	23 198	(219 954)	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		(53)	-	-	120	150	150	150	80	86
Computer Equipment		(53)	-	-	120	150	150	150	80	86
<b>Furniture and Office Equipment</b>		-	-	-	1 450	1 420	1 420	1 679	-	-
Furniture and Office Equipment		-	-	-	1 450	1 420	1 420	1 679	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	500	500	500	628	-	-
Transport Assets		-	-	-	500	500	500	628	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure on assets</b>	<b>1</b>	<b>109 107</b>	<b>23 198</b>	<b>(219 954)</b>	<b>2 070</b>	<b>2 070</b>	<b>2 070</b>	<b>2 458</b>	<b>80</b>	<b>86</b>

<b>Funded by:</b>		-	-	-	-	-	-	-	-	-
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-
Parent Municipality		-	-	-	-	-	-	-	-	-
District Municipality		109 160	23 198	(219 954)	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>109 160</b>	<b>23 198</b>	<b>(219 954)</b>	-	-	-	-	-	-
<b>Borrowing</b>	<b>3</b>	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	2 070	2 070	2 070	2 458	80	86
<b>Total Capital Funding</b>	<b>4</b>	<b>109 160</b>	<b>23 198</b>	<b>(219 954)</b>	<b>2 070</b>	<b>2 070</b>	<b>2 070</b>	<b>2 458</b>	<b>80</b>	<b>86</b>



- Table D4 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		1 846	2 370	3 413	10 362	15 362	15 362	2 394	12 320	22 267	32 210
Trade and other receivables from exchange transactions	1	39 184	65 661	353	3 356	(10 584)	(10 584)	5 212	34 350	57 949	87 080
Receivables from non-exchange transactions	1	15 161	6 104	0	5 299	5 299	5 299	0	5 299	5 299	5 299
Current portion of non-current receivables		23	23	-	23	23	23	-	23	23	23
Inventory	2	-	-	-	0	8	8	-	(10)	(21)	(32)
VAT		-	-	-	-	-	-	-	-	-	-
Other current assets		(9)	(9)	(4)	21	21	21	5	21	21	21
<b>Total current assets</b>		<b>56 205</b>	<b>74 150</b>	<b>3 762</b>	<b>19 061</b>	<b>10 129</b>	<b>10 129</b>	<b>7 612</b>	<b>52 004</b>	<b>85 538</b>	<b>124 601</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		58 086	90 171	325 510	-	-	-	319 953	-	-	-
Property, plant and equipment	3	225 322	285 134	95 445	294 012	296 088	296 088	95 428	296 326	288 274	279 659
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		37	33	25	33	33	33	25	33	33	33
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>283 443</b>	<b>375 338</b>	<b>420 979</b>	<b>294 043</b>	<b>296 121</b>	<b>296 121</b>	<b>415 406</b>	<b>296 359</b>	<b>288 307</b>	<b>279 692</b>
<b>TOTAL ASSETS</b>		<b>339 650</b>	<b>449 488</b>	<b>424 742</b>	<b>313 106</b>	<b>306 250</b>	<b>306 250</b>	<b>423 018</b>	<b>348 364</b>	<b>373 846</b>	<b>404 292</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		1 952	1 952	1 794	1 685	1 685	1 685	1 850	-	-	-
Trade and other payables from exchange transactions	4	7 430	221	14 227	11 725	12 607	12 607	11 112	33 798	67 266	100 407
Trade and other payables from non-exchange transactions	5	8	12	8	8	8	8	8	-	-	-
Provision		61 717	68 500	935	1 414	1 414	1 414	935	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Other current liabilities		386	345	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>71 494</b>	<b>71 031</b>	<b>16 964</b>	<b>14 831</b>	<b>15 714</b>	<b>15 714</b>	<b>13 905</b>	<b>33 798</b>	<b>67 266</b>	<b>100 407</b>
<b>Non current liabilities</b>											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	-	-	-	-	-	-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		1	-	1	-	-	-	1	-	-	-
<b>Total non current liabilities</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>71 495</b>	<b>71 031</b>	<b>16 965</b>	<b>14 831</b>	<b>15 714</b>	<b>15 714</b>	<b>13 906</b>	<b>33 798</b>	<b>67 266</b>	<b>100 407</b>
<b>NET ASSETS</b>		<b>268 155</b>	<b>378 457</b>	<b>407 777</b>	<b>298 275</b>	<b>290 536</b>	<b>290 536</b>	<b>409 112</b>	<b>314 566</b>	<b>306 579</b>	<b>303 885</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	189 838	273 443	297 788	219 956	212 217	212 217	290 295	225 238	217 252	214 557
Reserves and funds	9	78 318	78 318	117 789	78 318	78 318	78 318	117 789	78 318	78 318	78 318
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>268 155</b>	<b>351 761</b>	<b>415 577</b>	<b>298 274</b>	<b>290 535</b>	<b>290 535</b>	<b>408 083</b>	<b>303 556</b>	<b>295 569</b>	<b>292 875</b>

- Table D5 Budgeted Cash Flow											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		-	0	74	23 442	23 442	23 442	-	-	-	-
Transfers and Subsidies - Operational	1	-	-	-	10 000	15 000	15 000	-	-	-	-
Transfers and Subsidies - Capital	1	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		1 820	1	(4 914)	(23 487)	(23 487)	(23 487)	(11 032)	(50)	(53)	(57)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 820</b>	<b>1</b>	<b>(4 840)</b>	<b>9 954</b>	<b>14 954</b>	<b>14 954</b>	<b>(11 032)</b>	<b>(50)</b>	<b>(53)</b>	<b>(57)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
VAT Control (Receipts)		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(93 537)	(40 267)	(675)	(1 863)	(1 863)	1 863	(5)	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(93 537)</b>	<b>(40 267)</b>	<b>(675)</b>	<b>(1 863)</b>	<b>(1 863)</b>	<b>1 863</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(91 717)</b>	<b>(40 266)</b>	<b>(5 515)</b>	<b>8 091</b>	<b>13 091</b>	<b>16 817</b>	<b>(11 037)</b>	<b>(50)</b>	<b>(53)</b>	<b>(57)</b>
Cash/cash equivalents at the year begin:	2	-	1 846	2 370	2 370	2 370	2 370	3 413	2 370	2 320	2 267
Cash/cash equivalents at the year end:	2	(91 717)	(38 420)	(3 144)	10 462	15 462	19 188	(7 624)	2 320	2 267	2 210

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# Municipal annual budgets and MTREF & supporting tables

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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### Preparation Instructions

Municipality Name:

Municipal Entity Name:

CFO Name:

Tel:  Fax:

E-Mail:

Budget for MTREF starting:  Budget Year:

### Printing Instructions

### Submission of Data

#### Showing / Hiding Columns

#### Showing / Clearing Highlights



	Yes
	No
Type of Entities Range:	Parent Municipality Consolidated Information
Entity Name	
MTREF Range:	2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028
MTREF Linked:	11
MTREF:	2024
Fin Year:	

- Table D1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	11,811	14,000	9,191	10,000	15,000	15,000	10,000	10,000	10,000
Other own revenue	11,308	11,501	11,567	27,578	12,638	12,638	32,131	34,131	34,131
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>23,118</b>	<b>25,501</b>	<b>20,758</b>	<b>37,578</b>	<b>27,638</b>	<b>27,638</b>	<b>42,131</b>	<b>44,131</b>	<b>44,131</b>
Employee costs	10,128	10,875	10,179	16,846	15,690	15,690	16,336	17,336	17,735
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Depreciation and Debt impairment	5,149	2,598	5,300	9,527	7,451	7,451	7,600	8,132	8,701
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	1	12	5	5	10	11	11
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	14,504	13,921	10,132	18,344	19,383	19,383	20,054	21,106	20,377
<b>Total Expenditure</b>	<b>29,781</b>	<b>27,394</b>	<b>25,612</b>	<b>44,730</b>	<b>42,529</b>	<b>42,529</b>	<b>44,000</b>	<b>46,585</b>	<b>46,826</b>
<b>Surplus/(Deficit)</b>	<b>(6,663)</b>	<b>(1,893)</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>
Transfers and subsidies - capital (monetary allocations)	107,999	28,589	(0)	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>101,337</b>	<b>26,696</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>
Income Tax	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>101,337</b>	<b>26,696</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	109,107	23,198	(219,954)	2,070	2,070	2,070	2,458	80	86
Transfers recognised - capital	109,160	23,198	(219,954)	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	2,070	2,070	2,070	2,458	80	86
<b>Total sources of capital funds</b>	<b>109,160</b>	<b>23,198</b>	<b>(219,954)</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>	<b>2,458</b>	<b>80</b>	<b>86</b>
<b>Financial position</b>									
Total current assets	56,205	74,150	3,762	19,061	10,129	10,129	52,004	85,538	124,601
Total non current assets	283,445	375,338	420,979	294,045	296,121	296,121	296,359	288,307	279,692
Total current liabilities	-	-	-	-	-	-	-	-	-
Total non current liabilities	1	-	1	-	-	-	-	-	-
Community wealth/Equity	268,155	351,761	415,577	298,274	290,535	290,535	303,556	295,569	292,875
<b>Cash flows</b>									
Net cash from (used) operating	1,820	1	(4,840)	9,954	14,954	(11,032)	(50)	(53)	(57)
Net cash from (used) investing	(93,537)	(40,267)	(675)	(1,863)	(1,863)	(5)	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(91,717)</b>	<b>(38,420)</b>	<b>(3,144)</b>	<b>10,462</b>	<b>15,462</b>	<b>(7,624)</b>	<b>2,320</b>	<b>2,267</b>	<b>2,210</b>

- Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		-	-	0	-	-	-	116	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		11,288	9,362	11,440	27,518	12,518	12,518	10,065	32,051	34,051	34,051
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		28	1,973	46	60	120	120	29	80	80	80
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	166	81	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		11,811	14,000	9,191	10,000	15,000	15,000	12,208	10,000	10,000	10,000
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(8)	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contrib</b>		<b>23,118</b>	<b>25,501</b>	<b>20,758</b>	<b>37,578</b>	<b>27,638</b>	<b>27,638</b>	<b>22,418</b>	<b>42,131</b>	<b>44,131</b>	<b>44,131</b>
<b>Expenditure</b>											
Employee related costs	2	10,128	10,875	10,179	16,846	15,690	15,690	9,231	16,336	17,336	17,735
Remuneration of Board Members		-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	1	12	5	5	-	10	11	11
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		5,149	2,598	5,300	9,527	7,451	7,451	5,573	7,600	8,132	8,701
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		3,897	5,351	3,483	7,198	9,330	9,330	4,457	11,321	12,113	12,961
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		8,359	6,726	4,686	8,000	7,000	7,000	-	5,000	5,000	5,000
Operational costs		2,249	1,844	1,962	3,146	3,053	3,053	1,821	3,733	3,993	2,417
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>29,781</b>	<b>27,394</b>	<b>25,612</b>	<b>44,730</b>	<b>42,529</b>	<b>42,529</b>	<b>21,082</b>	<b>44,000</b>	<b>46,585</b>	<b>46,826</b>
<b>Surplus/(Deficit)</b>		<b>(6,663)</b>	<b>(1,893)</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>1,335</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>
Transfers and subsidies - capital (monetary	6	107,999	28,589	(0)	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>101,337</b>	<b>26,696</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>1,335</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>101,337</b>	<b>26,696</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>1,335</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>101,337</b>	<b>26,696</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>1,335</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>101,337</b>	<b>26,696</b>	<b>(4,854)</b>	<b>(7,151)</b>	<b>(14,890)</b>	<b>(14,890)</b>	<b>1,335</b>	<b>(1,869)</b>	<b>(2,454)</b>	<b>(2,695)</b>

Table D3 Capital Budget by asset class and funding

R thousands	Noe Description	ref	2020/21	2021/22	2022/23	Current Year 2023/24			Medium Term Revenue and Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure by Asset Class/Sub-class</b>											
<b>Infrastructure</b>											
	Roads Infrastructure										
	Rooles										
	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 Pipes										
	PRV Stations										
	Capital Spares										
	Sanitation Infrastructure										
	Pump Station										
	Retreatment										
	Waste Water Treatment Works										
	Outfall Sewers										
	Toilet Facilities										
	Capital Spares										
	Solid Waste Infrastructure										
	Landfill Sites										
	Waste Transfer Stations										
	Waste Processing Facilities										
	Waste Drop-off Points										
	Waste Separation Facilities										
	Electricity Generation Facilities										
	Capital Spares										
	Rail Infrastructure										
	Rail Lines										
	Rail Structures										
	Rail Furniture										
	Drainage Collection										
	Storm water Conveyance										
	Attenuation										
	MV Substations										
	LV Networks										
	Capital Spares										
	Coastal Infrastructure										
	Sewer Pumps										
	Piers										
	Revetments										
	Promenades										
	Capital Spares										
	Information and Communication Infrastructure										
	Data Centres										
	Core Layers										
	Distribution Layers										
	Capital Spares										
<b>Community Assets</b>											
	Community Facilities										
	Halls										
	Centres										
	Cafeterias										
	Child/Carer Centres										
	Fire/Ambulance Stations										
	Testing Stations										
	Museums										
	Galleries										
	Theatres										
	Libraries										
	Cemeteries/Crematoria										
	Police										
	Parks										
	Public Open Space										
	Nature Reserves										
	Public Toilet Facilities										
	Markets										
	Stalls										
	Abattoirs										
	Airports										
	Taxi Rank/Bus Terminals										
	Capital Spares										
	Sport and Recreation Facilities										
	Indoor Facilities										
	Outdoor Facilities										
	Capital Spares										
<b>Heritage Assets</b>											
	Monuments										
	Historic Buildings										
	Wrecks of Air										
	Conservation Areas										
	Other Heritage										
<b>Investment expenditure</b>											
	Research/Developing		185,160	23,198	(219,954)						
	Improved Property										
	Unimproved Property		185,160	23,198	(219,954)						
	Non-revenue Generating										
	Improved Property										
	Unimproved Property										
<b>Other assets</b>											
	Operational Buildings										
	Municipal Offices										
	Psychiatry/Psychiatry										
	Building Plan Offices										
	Workshops										
	Yards										
	Stores										
	Laboratories										
	Training Centres										
	Manufacturing Plant										
	Depots										
	Capital Spares										
	Housing										
	Staff Housing										
	Social Housing										
	Capital Spares										
<b>Biological or Cultivated Assets</b>											
	Biological or Cultivated Assets										
<b>Intangible Assets</b>											
	Services										
	Licences and Rights										
	Water Rights										
	Easement Licences										
	Soft Work Licences										
	Computer Software and Applications										
	Lease Settlement Software Applications										
	Unspecified										
<b>Computer Equipment</b>											
	Computer Equipment		(53)			120	150	150	150	85	85
<b>Furniture and Office Equipment</b>											
	Furniture and Office Equipment					1,405	1,420	1,420	1,420	1,679	
<b>Machinery and Equipment</b>											
	Machinery and Equipment										
<b>Transport Assets</b>											
	Transport Assets					500	500	500	500	628	
<b>Land</b>											
	Land										
<b>Zoo's Marine and Non-biological Animals</b>											
	Zoo's Marine and Non-biological Animals										
<b>Living resources</b>											
	Mature										
	Policing and Protection										
	Zoological plants and animals										
	Immature										
	Policing and Protection										
	Zoological plants and animals										
<b>Total capital expenditure on assets</b>			<b>185,160</b>	<b>23,198</b>	<b>(219,954)</b>	<b>2,075</b>	<b>2,075</b>	<b>2,075</b>	<b>2,075</b>	<b>2,458</b>	<b>85</b>
<b>Funded by</b>											
	National Government										
	Provincial Government										
	Parent Municipality										
	District Municipality		185,160	23,198	(219,954)						
	Transfers recognised - capital										
	Borrowing										
	Internally generated funds					2,075	2,075	2,075	2,075	2,458	85
<b>Total Capital Funding</b>			<b>185,160</b>	<b>23,198</b>	<b>(219,954)</b>	<b>2,075</b>	<b>2,075</b>	<b>2,075</b>	<b>2,075</b>	<b>2,458</b>	<b>85</b>

- Table D4 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		1,846	2,370	3,413	10,362	15,362	15,362	2,394	12,320	22,267	32,210
Trade and other receivables from exchange transactions	1	39,184	65,661	353	3,356	(10,584)	(10,584)	5,212	34,350	57,949	87,080
Receivables from non-exchange transactions	1	15,161	6,104	0	5,299	5,299	5,299	0	5,299	5,299	5,299
Current portion of non-current receivables		23	23	-	23	23	23	-	23	23	23
Inventory	2	-	-	-	0	8	8	-	(10)	(21)	(32)
VAT		-	-	-	-	-	-	-	-	-	-
Other current assets		(9)	(9)	(4)	21	21	21	5	21	21	21
<b>Total current assets</b>		<b>56,205</b>	<b>74,150</b>	<b>3,762</b>	<b>19,061</b>	<b>10,129</b>	<b>10,129</b>	<b>7,612</b>	<b>52,004</b>	<b>85,538</b>	<b>124,601</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		58,086	90,171	325,510	-	-	-	319,953	-	-	-
Property, plant and equipment	3	225,322	285,134	95,445	294,012	296,088	296,088	95,428	296,326	288,274	279,659
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		37	33	25	33	33	33	25	33	33	33
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>283,445</b>	<b>375,338</b>	<b>420,979</b>	<b>294,045</b>	<b>296,121</b>	<b>296,121</b>	<b>415,406</b>	<b>296,359</b>	<b>288,307</b>	<b>279,692</b>
<b>TOTAL ASSETS</b>		<b>339,650</b>	<b>449,488</b>	<b>424,742</b>	<b>313,106</b>	<b>306,250</b>	<b>306,250</b>	<b>423,018</b>	<b>348,364</b>	<b>373,846</b>	<b>404,292</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		1,952	1,952	1,794	1,685	1,685	1,685	1,850	-	-	-
Trade and other payables from exchange transactions	4	7,430	221	14,227	11,725	12,607	12,607	11,112	33,798	67,266	100,407
Trade and other payables from non-exchange transactions	5	8	12	8	8	8	8	8	-	-	-
Provision		61,717	68,500	935	1,414	1,414	1,414	935	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Other current liabilities		386	345	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>71,494</b>	<b>71,031</b>	<b>16,964</b>	<b>14,831</b>	<b>15,714</b>	<b>15,714</b>	<b>13,905</b>	<b>33,798</b>	<b>67,266</b>	<b>100,407</b>
<b>Non current liabilities</b>											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	-	-	-	-	-	-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		1	-	1	-	-	-	1	-	-	-
<b>Total non current liabilities</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>71,495</b>	<b>71,031</b>	<b>16,965</b>	<b>14,831</b>	<b>15,714</b>	<b>15,714</b>	<b>13,906</b>	<b>33,798</b>	<b>67,266</b>	<b>100,407</b>
<b>NET ASSETS</b>		<b>268,155</b>	<b>378,457</b>	<b>407,777</b>	<b>298,275</b>	<b>290,536</b>	<b>290,536</b>	<b>409,112</b>	<b>314,566</b>	<b>306,579</b>	<b>303,885</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	189,838	273,443	297,788	219,956	212,217	212,217	290,295	225,238	217,252	214,557
Reserves and funds	9	78,318	78,318	117,789	78,318	78,318	78,318	117,789	78,318	78,318	78,318
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>268,155</b>	<b>351,761</b>	<b>415,577</b>	<b>298,274</b>	<b>290,535</b>	<b>290,535</b>	<b>408,083</b>	<b>303,556</b>	<b>295,569</b>	<b>292,875</b>

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		-	0	74	23,442	23,442	23,442	-	-	-	-
Transfers and Subsidies - Operational	1	-	-	-	10,000	15,000	15,000	-	-	-	-
Transfers and Subsidies - Capital	1	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		1,820	1	(4,914)	(23,487)	(23,487)	(23,487)	(11,032)	(50)	(53)	(57)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1,820</b>	<b>1</b>	<b>(4,840)</b>	<b>9,954</b>	<b>14,954</b>	<b>14,954</b>	<b>(11,032)</b>	<b>(50)</b>	<b>(53)</b>	<b>(57)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
VAT Control (Receipts)		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(93,537)	(40,267)	(675)	(1,863)	(1,863)	1,863	(5)	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(93,537)</b>	<b>(40,267)</b>	<b>(675)</b>	<b>(1,863)</b>	<b>(1,863)</b>	<b>1,863</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	-	1,846	2,370	2,370	2,370	2,370	3,413	2,370	2,320	2,267
Cash/cash equivalents at the year end:	2	(91,717)	(38,420)	(3,144)	10,462	15,462	19,188	(7,624)	2,320	2,267	2,210

- Supporting Table SD1 Measurable performance targets

Performance target description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24				Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<i>Insert measure/s description</i>											

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	2020/21	2021/22	2022/23	Current Year 2023/24			Medium Term Revenue and Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Borrowing Management</b>												
Credit Rating												
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure		17%	9%	21%	21%	18%	18%	26%	17%	17%	19%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>												
Gearing	Long Term Borrowing / Funds & Reserves		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Liquidity</b>												
Current Ratio	Current assets / current liabilities		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liquidity Ratio	Monetary Assets / Current Liabilities		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Revenue Management</b>												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts / Last 12 Mths Billing			0%	0%	0%	0%	0%	0%	0%	0%	0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		235%	282%	2%	23%	-19%	-19%	23%	94%	143%	209%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered / Total Debtors > 12 Months Old											
<b>Creditors Management</b>												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 6S(e))											
Creditors to Cash and Investments			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Funding of Provisions</b>												
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions											
<b>Other indicators</b>												
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	1										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/Total Revenue - capital revenue		43.8%	42.6%	49.0%	45%	57%	57%	41%	39%	39%	40%
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)		22.3%	10.2%	25.5%	25%	27%	27%	25%	18%	18%	20%
<b>Financial viability indicators</b>												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		-	-	-	-	-	-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		1261%	12.0	5.3	10.3	11.6	-	3.7	14.3	9.2	8.6



- Supporting Table SD3 Budgeted Investment Portfolio

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

*References*

**- Supporting Table SD4 Board member allowances and staff benefits**

Summary of Employee and Board Member remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		A	B	C	D	E	F		G	H	I
<b>R thousands</b>											
<b>Remuneration</b>											
<b>Board Members of Entities</b>											
Basic Salaries and Wages		-	966	1,048	1,889	1,269	1,269	544	1,269	1,357	1,452
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-	-
Medical Aid Contributions		5	-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	56	56	150	175	175	12	261	279	299
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-	-
Other benefits and allowances		991	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>996</b>	<b>1,022</b>	<b>1,105</b>	<b>2,039</b>	<b>1,444</b>	<b>1,444</b>	<b>555</b>	<b>1,530</b>	<b>1,637</b>	<b>1,751</b>
<b>% increase</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(0)</b>	<b>0</b>	<b>0</b>	<b>7.0%</b>
<b>Senior Managers of Entities</b>											
Basic Salaries and Wages		186	826	97	1,461	1,461	1,461	1,075	-	-	-
Pension and UIF Contributions		9	-	(42)	-	-	-	-	-	-	-
Medical Aid Contributions		6	-	22	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		9	-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		1	-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		<b>211</b>	<b>826</b>	<b>78</b>	<b>1,461</b>	<b>1,461</b>	<b>1,461</b>	<b>1,075</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>			<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>		<b>0</b>			
<b>Other Staff of Entities</b>											
Basic Salaries and Wages		6,441	6,157	6,389	9,181	8,684	8,684	4,709	10,162	10,772	11,024
Pension and UIF Contributions		807	1,024	1,101	1,357	1,314	1,314	945	1,586	1,685	1,708
Medical Aid Contributions		369	404	438	569	642	642	347	722	765	765
Overtime		1	17	30	60	60	60	10	-	-	-
Performance Bonus		371	384	410	584	597	597	403	708	751	751
Motor Vehicle Allowance		325	343	448	1,128	1,024	1,024	667	1,168	1,238	1,238
Cellphone Allowance		122	96	83	105	110	110	88	120	128	137
Housing Allowances		231	231	282	301	292	292	217	339	359	359
Other benefits and allowances		1	226	90	1	2	2	1	1	1	1
Payments in lieu of leave		254	145	(389)	-	-	-	39	-	-	-
Long service awards		-	-	115	60	60	60	175	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		<b>8,922</b>	<b>9,027</b>	<b>8,997</b>	<b>13,346</b>	<b>12,785</b>	<b>12,785</b>	<b>7,601</b>	<b>14,807</b>	<b>15,700</b>	<b>15,984</b>
<b>% increase</b>			<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>		<b>(0)</b>	<b>0</b>	<b>0</b>	<b>1.8%</b>
<b>Total Municipal Entities remuneration</b>		<b>10,128</b>	<b>10,875</b>	<b>10,179</b>	<b>16,846</b>	<b>15,690</b>	<b>15,690</b>	<b>9,231</b>	<b>16,336</b>	<b>17,336</b>	<b>17,735</b>

- Supporting Table SD5 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number		1	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
	Councillors (Political Office Bearers plus Other Councillors)										
	Board Members of municipal entities	3									
<b>Municipal entity employees</b>											
	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										
<b>Total Personnel Numbers</b>			-	-	-	-	-	-	-	-	-
<b>% increase</b>				-	-	-	-	-	-	-	-
<b>Total entity employees headcount</b>											
	Finance personnel headcount	5									
	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

Kategori	2017							2018	2019	2020	2021	2022
	Jan	Feb	Mar	Apr	Mei	Juni	Juli					
<b>Saldo Awal</b>												
<b>Saldo Akhir</b>												

Kategori	2017							2018	2019	2020	2021	2022
	Jan	Feb	Mar	Apr	Mei	Juni	Juli					
<b>Saldo Awal</b>												
<b>Saldo Akhir</b>												

Kategori	2017							2018	2019	2020	2021	2022
	Jan	Feb	Mar	Apr	Mei	Juni	Juli					
<b>Saldo Awal</b>												
<b>Saldo Akhir</b>												

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

<b>Community Assets</b>	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	109,160	23,198	(219,954)	-	-	-	-	-	-
Revenue Generating	109,160	23,198	(219,954)	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	109,160	23,198	(219,954)	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	(53)	-	-	120	150	150	150	80	86
Computer Equipment	(53)	-	-	120	150	150	150	80	86
<b>Furniture and Office Equipment</b>	-	-	-	1,450	1,420	1,420	1,679	-	-
Furniture and Office Equipment	-	-	-	1,450	1,420	1,420	1,679	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	500	500	500	628	-	-
Transport Assets	-	-	-	500	500	500	628	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-

Zoological plants and animals		-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	109,107	23,198	(219,954)	2,070	2,070	2,070	2,458	80

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>										
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										



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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

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

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

- Supporting Table SD7d Depreciation by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	2,547	-	-	-	-	-	-	-
Revenue Generating	-	2,547	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	2,547	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	5,095	-	5,261	9,496	7,432	7,432	7,581	8,111	8,679
Operational Buildings	5,095	-	5,300	14	9	9	9	9	10
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	5,095	-	5,300	14	9	9	9	9	10
Housing	-	-	(39)	9,483	7,423	7,423	7,572	8,102	8,669
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	(39)	9,483	7,423	7,423	7,572	8,102	8,669
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	12	-	8	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	12	-	8	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	12	-	8	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	10	-	-	-	-	-	-
Computer Equipment	-	-	10	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	26	15	19	14	9	9	9	10	10
Furniture and Office Equipment	26	15	19	14	9	9	9	10	10
<b>Machinery and Equipment</b>	16	20	-	16	10	10	10	11	12
Machinery and Equipment	16	20	-	16	10	10	10	11	12
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-

Mature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>	-	-	-	-	-	-	-	-	-	
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>	-	-	-	-	-	-	-	-	-	
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-	-	-	
<b>Total Depreciation</b>	1	5,149	2,582	5,298	9,527	7,451	7,451	7,600	8,132	8,701

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										



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

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

Description	Ref	Preceding Years	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework			Forecast 2027/28	Forecast 2028/29
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Present value
<b>R thousands</b>								
<b>Entities:</b>								
<b>Revenue Obligation By Contract</b>	2							
<i>Contract 1</i>								
<i>Contract 2</i>								
<i>Contract 3 etc</i>								
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2							
<i>Contract 1</i>								
<i>Contract 2</i>								
<i>Contract 3 etc</i>								
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2							
<i>Contract 1</i>								
<i>Contract 2</i>								
<i>Contract 3 etc</i>								
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>		-	-	-	-	-	-	-



**- Supporting Table SD10 External mechanisms**

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

# Annexure D:

## MFMA BUDGET CIRCULARS



## Municipal Budget Circular for the 2024/25 MTREF

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## Introduction

This budget circular provides guidance to municipalities with their compilation of the 2024/25 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA) and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

## 1. The South African economy and inflation targets

The National Treasury forecasts real GDP growth of 0.8 per cent in 2023, compared with 0.9 per cent projected in the 2023 Budget Review. Growth is projected to average 1.4 per cent from 2024 to 2026. Relative to the 2023 Budget, the weaker projection for 2023 mainly reflects lower household consumption expenditure due to higher inflation and interest rates, and lower net exports. Power cuts are expected to continue for the remainder of this year and to gradually ease in 2024. Faster, determined implementation of energy and logistics reforms remains critical to boosting economic growth.

In the context of weaker global growth and risks to the domestic outlook, government is working to position the economy for sustained growth and resilience to shocks. A combination of a stable macroeconomic framework, the rapid implementation of economic and structural reforms, and improvements in state capability remains central to achieving higher growth, employment, and competitiveness.

Employment growth continues to lag South Africa's post-COVID-19 economic recovery, with 74 000 fewer people in employment in the second quarter of 2023 than in the fourth quarter of 2019. Improving employment growth sustainably over the long term requires faster GDP growth and improved education and skills development.

Headline inflation is expected to decelerate as the energy and food price shocks associated with global supply chain disruptions and the war in Ukraine dissipate. Headline consumer prices are expected to fall from an expected 6 per cent in 2023 to 4.9 per cent in 2024. Fuel prices have fallen since June 2023, largely reflecting base effects. Food price inflation, which peaked at 14.4 per cent in March 2023, slowed to 8.2 per cent by August 2023. However, the pace of deceleration has been slow relative to global food prices. This can be attributed to a weaker rand exchange rate and elevated production costs. Core inflation has remained near 5 per cent for most of 2023 due mainly to higher insurance and vehicle price inflation. Headline inflation is projected to return towards the mid-point of the 3 to 6 per cent target range in 2025.

Household consumption expenditure is expected to slow from 2.5 per cent in 2022 to 0.8 per cent in 2023 due to the cumulative effect of interest rate increases, elevated inflation and falling real disposable income, and generally weak consumer confidence. Growth in credit

extended to households continues to decelerate for both secured and unsecured credit. National Credit Regulator data shows that in the first quarter of 2023, banks rejected 70 per cent of credit applications – the highest rate on record – reflecting concerns over households' ability to repay loans. Household consumption expenditure is expected to average 1.6 per cent from 2024 to 2026.

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2022 - 2027**

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.5%

Source: Medium Term Budget Policy Statement 2023.

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.

The above economic challenges will place pressure on households' ability to pay municipal accounts and Eskom power cuts affect sustainability of small and large businesses. Both these factors have placed pressure on municipal own revenues.

It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

## 2. Key focus areas for the 2024/25 budget process

### 2.1 Local government conditional grants allocations

Over the 2024 MTEF, the local government equitable share and conditional grants will be reduced by a total of R12.8 billion, made up of R9.6 billion in the local government equitable share and R3.2 billion in direct conditional grants. The general fuel levy sharing with municipalities will be reduced by R5.1 billion. These reductions form part of the government's efforts to drive fiscal consolidation. The implication of these changes will be outlined in more detail in the 2024 Budget Review.

#### Notable changes to the conditional grants system

While the review of the conditional grants system is on-going and reforms envisaged to be implemented from 2025/26, changes will be considered for the *urban settlements development grant*, *integrated urban development grant*, and *the municipal infrastructure grant* to make better use of regulatory frameworks and improve the water business of urban municipalities from 2024/25.

We kindly advise municipalities to utilise the indicative numbers that were presented in the 2023 Division of Revenue Act when developing their 2024/25 MTREF calculations. It is crucial to also make considerations to the proposed reductions to baselines that were presented in the 2023 MTBPS, as they may have a significant impact. We recommend this be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2026/27 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2023 Division of Revenue Act for 2024/25. The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:

<http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx>

## **Division Of Revenue Amendment Bill, 2023 (DoRAB)**

**Declared underspending in the local government equitable share** – In January 2023, the National Energy Regulator of South Africa (NERSA) approved a bulk electricity tariff increase of 18.7 per cent for the 2023/24 financial year. The subsidy for free basic electricity in 2023/24 was calculated to include an additional 2 per cent in anticipation of higher municipal tariff increases than that published in January, due to the difference in the financial years of Eskom customers and municipalities. A further R1.4 billion was left unallocated in the local government equitable share to enable additional funding for municipalities should the final municipal tariff increase that was expected to be published between March and June 2023, exceed the 20.7 per cent increase provided for. In June 2023, NERSA approved a municipal tariff increase of 15.1 per cent. The unallocated amount of R1.4 billion in the local government equitable share is therefore surrendered as declared under-expenditure.

**Fiscal consolidation reductions** – There is a total downward adjustment of R3.4 billion to direct municipal conditional grants. This is made up of reductions of R9 million from the *infrastructure skills development grant*; R58 million from the *programme and project preparation support grant*; R32 million from the *expanded public works programme integrated grant for municipalities*; R1.2 billion from the *municipal infrastructure grant*; R306 million from the informal settlements upgrading partnership grant for municipalities; R553 million from the *urban settlements development grant*; R180 million from the *integrated national electrification programme grant for municipalities*; R40 million from the *neighbourhood development partnership grant*; R600 million from the *public transport network grant*; R237 million from the *regional bulk infrastructure grant*; and R244 million from the *water services infrastructure grant*.

**Funds for post disaster repair and recovery** – An amount of R1.2 billion is added to the *municipal disaster recovery grant* to fund the reconstruction and rehabilitation of municipal infrastructure damaged by the floods that occurred between February and March 2023.

**Top-up of the municipal disaster response grant** – Due to the floods that occurred between February and March 2023, the *municipal disaster response grant* was depleted by June 2023. R372 million is added to this grant to enable immediate response by municipalities in the event that a disaster occurs in the remaining months of the 2023/24 financial year.

**Conversion of municipal infrastructure grant allocations** – R10 million from uThukela Local Municipality's allocation is converted to an indirect allocation for implementation of the Ekuvukeni Water Supply Project by the Department of Cooperative Governance on the municipality's behalf. The project entails the replacement of an asbestos rising main from the Oliphanskop water treatment works. Similarly, R20 million from Emfuleni Local Municipality's allocation is converted to an indirect allocation to address the outfall of sewer in Evaton and Sebokeng.

**Conversion of neighbourhood development partnership grant allocations** – R88 million in the neighbourhood development partnership grant is converted from the direct to the indirect component of the grant. This is to expedite project implementation in municipalities that are experiencing administrative and financial challenges.

**Reduction in the integrated national electrification programme (Eskom) grant** – As part of the fiscal consolidation reductions, the integrated national electrification programme (Eskom) grant is reduced by R250 million.

**Reprioritisation from the integrated national electrification (Eskom) grant** – An amount of R53 million is reprioritised from the integrated national electrification (Eskom) grant to the vote

of the national Department of Mineral Resources and Energy to fund the rehabilitation of derelict and ownerless mines.

**Shift of funds from the regional bulk infrastructure grant to the water services infrastructure grant** – R309 million has been shifted from the indirect component of the regional bulk infrastructure grant to the indirect component of the water services infrastructure grant. This is to enable the Department of Water and Sanitation to manage contractual obligations, budget pressures, accruals and payables for projects in several municipalities.

**Changes to the municipal disaster recovery grant framework** – The framework of the municipal disaster recovery grant is amended to ring-fence the additional funds for the repair and reconstruction of municipal infrastructure damaged by the floods that occurred between February and March 2023.

**Correction of an error in the indirect allocations of the regional bulk infrastructure grant** – An amount of R20 million for the Kirkwood Water project that was erroneously allocated to Dr Beyers Naude Local Municipality is corrected to an allocation to Sundays River Valley Local Municipality.

**Amendment to the framework of the *municipal disaster recover grant*** – Parliament has approved that the National Treasury amend the framework of the *municipal disaster recover grant* to ring-fence and conditionalize the fund added for the repair and recovery of infrastructure damaged by the floods that occurred in February and March 2023.

**Correction of an error in the indirect allocations of the regional bulk infrastructure grant** – Parliament has approved that the National Treasury correct an oversight in the indirect allocations of the *regional bulk infrastructure grant*. An amount of R20 million for the Kirkwood Water project that was erroneously allocated to Dr Beyers Naude Local Municipality is corrected to an allocation to Sundays River Valley Local Municipality.

## **2.2 Publication of allocations from the municipal disaster response grant and changes from the stopping and reallocation process**

National Treasury has through Government Gazette No. 49584 dated 30 October 2023 published in terms of the Division of Revenue Act, 2023, (Act No. 5 of 2023) (DoRA), and provided information regarding the disaster allocations and the conversion of disaster grants to municipalities in the 2023/24 financial year. The Gazette further provided for the stopping and reallocation of funds to municipalities and reallocated to their districts.

### **Allocation of disaster response funding**

#### ***Transfers in terms of section 27 of the 2022 DoRA***

Section 27 of the 2022 DoRA provides:

*“(1) Despite the Division of Revenue Act for the 2023/24 financial year not having commenced on 1 April 2023, the National Treasury may determine that an amount, not exceeding 45 per cent of the total amount of each —*

- (a) equitable share in terms of section 4(1), be transferred to the relevant province;*
- (b) equitable share in terms of section 5(1), be transferred to the relevant municipality;*
- (c) allocation made in terms of section 7(1) or 8(1), as the case may be, be transferred to the relevant province or municipality.*

(2) An amount transferred in terms of subsection (1)(c) is, with the necessary changes, subject to the applicable framework for the 2022/23 financial year and the other requirements of this Act, as if it is an amount of an allocation for the 2022/23 financial year.”

Using this section of the DoRA, immediate relief funds were transferred to municipalities from the 2023/24 Municipal Disaster Response Grant (MDRG) baseline in June 2023 (before the start of the 2023/24 municipal financial year). Section 27(2) requires that these funds be subject to the 2022/23 MDRG framework and the DoRA as if these were allocations for the 2022/23 financial year. The implications of this:

**MDRG condition 1: Funds from this grant must be utilised within six calendar months following the date of the transfer of the funds to the municipality**

By approving the release of these funds in June 2023, National Treasury implicitly approved the roll-over of these funds to the 2023/24 financial year. Therefore, the immediate relief funds transferred to municipalities on 15 June 2023 must be spent by 15 December 2023.

In terms of section 25(3)(d) of the Division of Revenue Act, 2023 (Act No. 5 of 2023 – herein referred to as “2023 DoRA”), which is now applicable to the immediate relief funds, the National Treasury may approve that, funds allocated in Schedule 7 be used at any time. In terms of section 25(3)(e) of the 2023 DoRA, funds approved in terms of paragraph (d) must be included in either the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriate legislation.

Expenditure need not wait for the passing of such adjustments budget as this is emergency spending or unforeseen and unavoidable expenditure, which is provided for in section 29 of the Municipal Finance Management Act, 2003 (“MFMA”).

Municipalities must ensure that the disaster funding and expenditure are ring fenced (isolated) and classified correctly in terms of the *mSCOA* when budgeting and transacting, as per the guidance provided in *mSCOA* Circular No. 14 dated 16 May 2022.

### 3. Revenue Management

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

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the the 4 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2024/25 in



their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

### **3.1 Maximizing the revenue generation of the municipal revenue base**

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

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

#### ***Requirements of a billing report***

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

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

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

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

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

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

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

Furthermore, municipalities are also advised and expected to comply with section 8(1) of the MPRA in terms of the billing methodology that should be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process. A further test would be to reconcile this information with the Deeds Office registry.

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

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

### **3.2 Setting the Cost reflective tariffs**

Municipalities must ensure that the capital repayment of loans are included in the cost when determining the tariff. In addition, they must ensure that the consumption charges for services are only based on consumption and all other variable costs. Therefore, fixed costs such as salary and wages, etc. should be covered by a fixed charge.

During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. New infrastructure developments in a municipal area of jurisdiction should be obliged to consider and incorporate energy efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis.

### **3.3 Consumer Deposits and securities**

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

### **3.4 Contracts with customers**

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

- Requirements of POPIA;
- Digital and Physical Domicilium for the delivery of notices;
- Acceptance of liability in the case of proven tampering of services;
- Acceptance of Magistrates Court Jurisdiction if in arrears and legal action has been taken;
- Acceptance to adhere to Municipal policies and by-laws;

- Acceptance and approval to be handed over to third party if in arrears inclusive of credit bureau;
- Acceptance to give access to meter readers to read meters;
- Municipality accept to render promptly bills; and
- Municipality accept to limit the estimation of consumption on meters.

### 3.5 Indigent Management

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

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

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

### 3.6 Voluntary restriction of notified maximum demand (NMD)

Municipalities are advised that Eskom agreed with NT that once a municipality in principle agreed to a Notified Maximum Demand (NMD) restriction with NT, Eskom will within 30 days of NT request advise on its ability to restrict the NMD at bulk supply points in that municipality. Eskom will restrict the NMD or not charge any NMD exceedance charges and penalties to the municipality until 30 June 2027 or earlier as may be agreed between NT and the municipality. Should any municipality with the electricity function not be able to maintain its Eskom bulk account, it is strongly urged to make an application to the National Treasury for such a



voluntary restriction of its NMD by Eskom. The application must include a council resolution to the effect that council approves and agrees to such a voluntary restriction and the effective date thereof. National Treasury will then make an application to Eskom for this purpose.

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

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

### **3.8 Maximising the revenue generation of the municipal revenue base Revenue on Property rates**

*(This section should be read in addition to the information provided on MFMA Circular No. 123 and previous circulars pertaining to this matter).*

It is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2024. Furthermore, it must as a best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with section 23(1) and section 23(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

### **3.9 Setting the Cost reflective tariffs**

Municipalities must ensure that when tariffs are designed, the capital repayment of loans are also included in the cost to determine the tariff.

Municipalities must ensure that when tariffs are designed that consumption charges for services are only based on consumption and all other variable costs. Fixed costs e.g. salary and wages, etc. should be covered by a fixed charge. The municipality must ensure its budgeting process address the requirement to maintain its infrastructure. New developments in/ a municipality should mandatorily make provision for alternative energy such as solar or wind or any other energy option available.

### **3.10 Critical Notice Affecting STS Meters and the RT29 Transversal Tender for Smart Meters**

As highlighted in MFMA Circulars No. 115 and 123 (dated 04 March 2022 and 03 March 2023 respectively) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that

the National Treasury, through the Office of the Chief Procurement Officer (OCPO), have issued a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage.

Municipalities are cautioned against issuing their own tender to address the STS TID rollover and a smart solution for electricity and water meters as the RT29 tender should be available for municipalities to participate as early as January 2024 for participation.

### **3.11 Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2023/24, bulk electricity costs increased significantly at 15.1 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year. There has been no change to the second year of the Multi-Year Price Determination (MYPD 5), as such bulk electricity costs are to be calculated using an increase of 12.7 per cent as per MYPD-5 in the 2024/25 financial year.

Given the absence of an approved tariff increase for the outer year of the MTEF, the increase is projected to be 15.7 per cent in 2025/26. This is the average of the approved increases for the two years of the MYPD-5 period. Municipalities in arrears with Eskom should ensure that their payment arrangements are included in the 2024/25 MTREF budget.

### **3.12 Consumer Deposits and securities**

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

## **4. Funding choices and management issues**

Given the current economic crisis the country faces, Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Municipalities are advised to consider all the advice provided in MFMA Circular No 123 and other previous circulars under this topic to ensure the adoption of surplus and funded budgets.

### **4.1 Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation and has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. Municipalities that are

already not in a position to afford the current wage cost, would have to limit the increase in the 2024/25 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

#### **4.2 Remuneration of Councillors**

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

## **5. FUNDING MUNICIPAL BUDGETS**

### **5.1 Approval of deficit budgets**

National/ Provincial Treasuries encourage municipalities to prepare a surplus budget to avoid placing the municipality's resources in financial difficulties. The adoption of a credible budget starts with the preparation of a surplus budget. With effect from 1 July 2024 all municipal Councils are advised not to approve a deficit budget, as such Mayors who table budgets to Council must be aware of the implications of a deficit budget.

Accounting Officers and their Chief Financial Officers are responsible for preparing budgets and accordingly are tasked with ensuring that the Mayor is guarded against submitting a deficit budget to Council for adoption. Failure thereof may result in Councils implementing section 171 of the MFMA to both the Accounting Officer and Chief Financial Officer.

### **5.2 Funded Budget**

Subsequently, the National Treasury would like to re-emphasise that municipalities must not adopt an unfunded budget. The emphasis is on municipalities to comply with section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates. Municipalities are encouraged to limit expenditure according to the anticipated revenue projections. Should their collection rate improve during the financial year, municipalities may bring back initial expenditure items omitted. Municipalities should note that the Office of the Auditor General will soon start auditing those municipalities that have tabled and adopted unfunded budgets over an extended period given that this practice is not only illegal but also compromise their financial sustainability.

### **5.3 Credible Funding Plans**

Municipalities must adopt a credible funding plan in cases where the budget is unfunded (an unfunded budget is not encouraged). Where a funding plan lacks credibility, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council and the changes to budget must be effected in the mid-year adjustments budget to ensure compliance with section 18 of the MFMA. The funding plan must show progressive improvement in the funding of the budget.

#### 5.4 Budgeting for Debt Impairment Loss, Write Off of irrecoverable debt and Reversal of Impairment Loss

Assessment of the funding position of 2023/24 tabled and adopted municipal budgets revealed that a large number of municipalities incorrectly accounted for debt impairment and the write off of irrecoverable debt with the result that their budgets were assessed as unfunded. The two common mistakes made by most municipalities were:

- Provision for impairment losses was budgeted as Irrecoverable Debt Written Off on Table A4; and
- Provision to write off irrecoverable debt was budgeted for on Table A4 without any adjustment to the Accumulated Provision for Debt Impairment by way of a concomitant reversal of the impairment loss.

Any write off of irrecoverable debt previously impaired and accounted for as an impairment loss should be adjusted as a reversal of impairment loss when the write-off takes place. Failure to adjust the previous impairment loss by the reversal will impact negatively on the net receivables and therefore the funding of the budget. The receivables will be reduced by the amount of the debt written off whilst still providing for the impairment of the receivables already written off.

Municipalities should consider the following when budgeting for the annual Debt Impairment Loss, Write Off of Irrecoverable Debt and Reversal of Impairment Loss. The *mSCOA* chart includes data strings for:

- **Impairment loss** – contribution to the provision for annual non-payment based on the realistic collection rate for the municipality. Any increase in impairment is accounted for per debt type. This is treated as a loss in the Statement of Financial Performance;
- **Reversal of Impairment loss** – used to facilitate the reversal of overstated impairment losses. Any decrease in impairment is accounted for per debt type. This is treated as a gain in the Statement of Financial Performance. The reversal of impairment loss enables the reduction of debt impairment provision. Therefore, the data strings for impairment loss and reversal of impairment loss are aggregated to populate debt impairment on table A4; and
- **Irrecoverable Debts Written Off** – this is no longer written off against the Accumulated Provision for Debt Impairment but is expensed in the Statement of Financial Performance. Therefore, municipalities must record the reversal of impairment loss to reduce the Accumulated Provision for Debt Impairment with the irrecoverable Debts Written Off. The previous versions of the *mSCOA* chart provided for a single expenditure account for the recognition of any bad/ irrecoverable debt written off. However, in version 6.8 the *mSCOA* chart was expanded to include the write off of irrecoverable debt by debt type.

#### 5.5 Burial of councillors using public funds

In terms of National Treasury's Budget Circulars No. 122 and 123 municipalities were urged to ensure that public funds are not used for burial of councillors. The issuance of this requirement in both circulars would have required in certain cases amendment of Council approved policies dealing with these matters.

Therefore, municipalities are reminded to ensure that any policies to this effect are rescinded as this matter will be referred to the Auditor General South Africa (AGSA) to verify during the 2023/24 audit if there have been no instances where public funds are utilised for burial of councillors. If such activities occurred in the municipality w.e.f. the 2023/24 financial year,

each Accounting Officer and Chief Financial Officer will be held responsible, and each Council can deal with such instances in terms of section 171 of the MFMA.

## **5.6 The use of mayoral discretionary accounts and any other council discretionary accounts**

In the previous Budget Circulars municipalities were cautioned against the tendency of utilising Mayoral Discretionary accounts. The risk or danger herein is that public funds are availed/ allocated or given out to other bodies or institutions or individuals by the Mayors of a municipality outside the budget process.

These allocations are at times not known by the Council as they were not disclosed in the budget approved by Council, meaning that there was a lack of transparency during the budgeting processes. Municipalities are reminded that this practice of utilising “Mayoral Discretionary Accounts is not supported by the National Treasury. Therefore, if there are policies developed by municipalities allowing or promoting such activities, those policies must be rescinded when the Council approves the 2024/25 MTREF budget.

Any further use of public funds in that manner will be audited by the AGSA with effect from 1 July 2024 with an intention of ensuring that Accounting Officers/ Executive Mayors and Chief Financial Officers, that allow such practices to continue in their municipalities will be held personally responsible.

## **5.7 Development charges**

Development charges are important components of a sustainable municipal infrastructure financing system, especially for cities and large urban municipalities, as they are used to finance land intensification. Despite their potential as an alternative option for financing infrastructure, municipalities have not fully used development charges due to uncertainty surrounding the regulatory frameworks. To address this uncertainty, amendments to the Municipal Fiscal Powers and Functions Act (2007) are proposed. The Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations for levying development charges, so strengthening municipalities’ revenue-raising framework. This will allow municipalities to mobilise own revenue resources to fund their infrastructure needs and support economic growth.

Once enacted, these amendments will create legal certainty for municipalities to levy development charges, regulate their applicability and create a more standardised, equitable, and sustainable framework for development charges. The Bill was approved by Cabinet for tabling in Parliament on 17 August 2022 and subsequently introduced in Parliament on 08 September 2022. The Bill is currently being processed in line with the Parliamentary processes. Once the Bill has been enacted, the amendments will take effect from the next municipal financial year (commencing 1 July) or on a date prescribed by the President.

The National Treasury will clearly articulate the budgeting and accounting requirements upon the completion of the Parliamentary processes.

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

## **6.1 Release of Version 6.8 of the Chart**

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.8 is released with this circular. Version 6.8 of the chart will be effective from 2024/25 and must be used to compile the 2024/25 MTREF. The linkages to chart version 6.8 can be downloaded from GoMuni on the following link under the mSCOA/ List mSCOA WIP account linkages menu option:



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

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

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to chart version 6.8. A protected version of the MBRR Schedules for version 6.8 of the chart and A1S is available on the MFMA Webpage on the link below:

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

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

All municipalities must prepare their 2024/25 MTREF budgets using the budget modules of their ERP systems, generate their financial and non-financial data string and produce the Schedule A1 directly from the ERP system. The manual preparation of these documents outside the ERP system is not allowed in terms of the *m*SCOA Regulations.

For the National Treasury to consider a new chart change in version 6.9 of the chart, the issue must be logged with all relevant detail, supporting documents and screenshots (where applicable) on the *m*SCOA Frequently Asked Question (FAQ) portal by 31 August 2024. 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](https://lg.treasury.gov.za/ibi_apps/signin)

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

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

Please note the following errata in MFMA Circular No.123 on page 5 in relation to property categories that were approved by the Minister of Cooperative Governance for Bitou and Drakenstein municipalities. It was **incorrectly** indicated that the approval was in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, and that municipalities may apply for categories other than the categories in 8(2)(a) to (i).

**The paragraph is corrected as follows:**

Kindly note that, in accordance with section **8(4)** of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply to the Minister for the authorisation to sub-categorise the property categories in subsection (2). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and

- Residential sectional title garages for Drakenstein Municipality.

## 6.2 Improving *m*SCOA data strings credibility

The credibility of the *m*SCOA data strings that have been submitted by municipalities to the GoMuni Upload portal has improved over the last financial year. However, the following areas of concern remain:

- Municipalities continue to **transact against line items without budgets** and as a result exceed the annual budget already in month 1 to 3 (quarter 1) of the new financial year;
- **Opening balances** for the previous year are **not transferred** in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in periods 14 and 15 are not transferred through journals to the opening balances of the current year in the month of the current year that the adjustments are done;
- **Cash flow tables** (Tables A7, B7 and C7) are still **not populating correctly** and fully. This can be attributed to the fact that several municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7, and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and *m*SCOA Circular No. 11 (dated 04 December 2020);
- Budget and transacting for **water inventory** is **not done correctly** in terms of the guidance given in MFMA Budget Circular No.115 (dated 04 March 2022) and MFMA Budget Circular No. 122 (dated 12 December 2022); and
- Some municipalities **do not budget and transact correctly** or completely **for irrecoverable debt written off and impairment loss** as well as the reversal of impairment loss of consumer debtors that have a significant impact on the funding of budgets.

National and provincial treasuries analyse the data strings of municipalities monthly to identify errors and communicate these findings to municipalities. Municipalities must use the feedback received to correct recurring errors in subsequent periods. Going forward, the National Treasury will not allow data string errors made in a previous month to be corrected in the next open period as this skew the monthly figures on the National Treasury Local Government Database and Reporting System (LGDRS). Municipalities must therefore **verify** the credibility and accuracy of the information in their financial system **prior** to submitting the *m*SCOA data strings to the LGDRS. The data on the LGDRS is used by various stakeholders such as the South African Reserve Bank (SARB), STATSSA, SARS, Department of Water Affairs (DWA), NERSA, DCoG, SALGA, AGSA, World Bank universities and the public.

## 6.3 *m*SCOA reporting on Value Added Tax (VAT)

In terms of the VAT Act, 1991 (Act No. 89 of 1991) and its amendments, municipalities must be VAT registered and must declare Output tax on the taxable supply of goods and services and claim Input tax credits on expenses incurred in the course or furtherance of the enterprise (the taxable supplies). The output tax is declared, and the input tax claimed by completing a VAT 201 return.

The guidance provided in *m*SCOA Circular No. 12 must be followed when reporting on VAT. It should be noted that the South African Revenue Services (SARS) will be using the data on the LGDRS submitted by municipalities to verify the VAT 201 return in 2024/25. It is therefore

crucial that municipalities report their VAT transaction correctly on their ERP systems and in their *mSCOA* data strings.

#### **6.4 Use of function segment to achieve GRAP 18 segmental reporting**

GRAP 18 is applicable to all entities on the accrual basis of accounting. The standard applies to separate (or individual) financial statements of an entity, as well as to consolidated financial statements of an economic entity. Municipalities control significant public resources and provide a wide variety of goods or services in different geographic areas with different socio-economic conditions. Consolidated financial statements provide an overview of assets, liabilities, revenues and costs etc. of an entity, but a greater level of aggregation is necessary to provide information which is relevant for accountability and decision-making purposes.

The objective of the disclosures is to enable users of the financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environment in which it operates. To achieve the objective, disclosures are required on two levels, namely:

- Specific segment disclosures
- Geographic disclosures

Detailed guidance on GRAP 18 reporting was provided by the National Treasury in the Accounting Guideline on GRAP 18 Segment Reporting (February 2020) which is available on the following link:

<https://ag.treasury.gov.za/>

The *mSCOA* function and region segments must be used to comply with the GRAP 18 reporting requirements.

The function segment records the major activities that generate the most economic benefits or service potential of the municipality. The implication will be that all income and expenditure transactions related to a specific trading service (function) must be budgeted for and transacted within that function. Therefore, where grants are allocated to trading services, the grant must be budgeted for and transacted in the Trading Services function. Municipalities must review their classification of the function segment as to whether the function is correctly identified as a core or non-core function.

The region segment identifies the lowest relevant geographical regional indicator of the intended contributor or beneficiaries that will contribute/ benefit directly from the given service or capital investment. Municipalities must ensure that they identify the lowest geographical regional indicator in the region segment when they budget, transact and report to provide data on the geographic disclosures required in GRAP 18.

Municipalities are also reminded to include the GPS Longitude for capital projects on supporting table SA36 on the A Schedule.

#### **6.5 Period closure and reconciliation of General Ledger**

Section 65 (2)(j) of the MFMA states that the accounting officer must take all reasonable steps to ensure that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

Annexure B of MFMA Circular No. 80 (08 March 2016) provides guidance on the minimum system requirements in this regard, namely that the ERP system must contain the functionality for:



- Period closures (i.e. budget process, month-end and year-end) and certification within the statutory reporting dates;
- Reconciliations and balancing of the sub-system and the General Ledger of the core ERP System with control accounts as a condition of all period closures;
- System generated transfer of opening balance to month 1 in the following year subsequent to the year-end closures period 12 as at 30 June (of the current year);
- Automated roll-over of the closing balance from month 12 into period 13 of the current financial year and month 01 of the new financial year; and
- Automated roll-over of the closing balance from period 13 to 14 and 15 of the current financial year and the corresponding month in the new financial year.

Guidance on the required period closures will be provided in *mSCOA* Circular No. 15 that will be issued in 2024.

### 6.6 *mSCOA* governance and implementation

Municipalities that have not yet achieved the required level of *mSCOA* implementation, must develop and implement a road map (action plan) to fast track the implementation of *mSCOA*. The focus areas that should be considered (at a minimum) when developing the road map are articulated in **Annexure A** attached to this circular.

### 6.7 Regulating the minimum business processes and system specifications for *mSCOA*

The National Treasury will regulate the minimum business processes and system specifications for *mSCOA* towards the end of 2025/26. This project will also include the following outputs:

- Review and update the set of minimum business processes and system specifications for *mSCOA* (currently articulated in MFMA Circular No. 80) to incorporate new legislative requirements that have been issued since the circular was published;
- Update and develop the standard operating procedures (SOPs) for *mSCOA*;
- Align the current ICT due diligence assessment for *mSCOA* to the new Regulations;
- Consultation with key stakeholders on draft regulations; and
- Training on the new Regulations to ensure that there is a fair understanding of the new regulation by stakeholders.

Further communication will be issued on the consultation processes and training in due course.

### 6.8 Training Initiatives

The National Treasury has introduced several training initiatives to capacitate municipalities, government departments, system vendors and other stakeholders on *mSCOA*. In 2024, these training initiatives will include:

- **Virtual Master classes:** This training is hosted by CIGFARO at no cost via zoom on a monthly basis and deals with technical and accounting aspects of the use of *mSCOA* chart;

- **Provincial training on mSCOA:** This is a new training initiative and will be hosted at a physical venue by CIGFARO at a cost (to cover expenses) and will include the fundamentals (part 1) and technical and accounting aspects (part 2) of mSCOA. Delegates will be required to pass a test on each part of the training to receive a certificate of completion;
- **mSCOA eLearning:** This self-paced web-based course hosted by the National School of Government (NSG) at no cost (until further notice) aims to equip learners with the fundamental of mSCOA. Municipal and government officials can register for the course at on the following link:

<https://www.thensg.gov.za/elearning>

- **Annual CIGFARO/mSCOA workshop:** This annual workshop provides a platform to share lessons learnt, best practices, technical aspects of mSCOA implementation and planned new developments by the National Treasury.

The full training program for 2024 is available on the GoMuni/ Go Training portal) on the following link:

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

## 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	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Buffalo City	Pitso Zwane	012-315 5171	<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
	Pitso Zwane	012-315 5171	<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
	Oreal Tshidino		<a href="mailto:Oreal.Tshidino@Treasury.gov.za">Oreal.Tshidino@Treasury.gov.za</a>
City of Tshwane and City of Johannesburg	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
	Enock Ndlovu	012-315 5866	<a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a>
City of Ekurhuleni	Kgomotso Baloyi		<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
eThekwini	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Limpopo	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Lesego Leqasa		<a href="mailto:Lesego.Leqasa@treasury.gov.za">Lesego.Leqasa@treasury.gov.za</a>
Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
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	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Enock Ndlovu	012-315 5385	<a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a>
Cape Town	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
George	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues on GoMuni Website	Data management		<a href="mailto:lqdataqueries@treasury.gov.za">lqdataqueries@treasury.gov.za</a>

## 8. Submitting budget documentation and A schedules for the 2024/25 MTREF

### 8.1 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.

Annexure A (attached) provides a list of the deadline dates for the submission of *m*SCOA data strings and documents to the GoMuni Upload portal in the 2024/25 MTREF. The GoMuni Upload portal can be accessed by registered users on the following link:

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

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

## 8.2 Updating of contact details on GoMuni

Municipalities must ensure that their contact details on GoMuni are updated as soon as changes occur. Often emails containing important information and deadlines do not reach the intended GoMuni users due to outdated users contact information.

To update the contact details, municipalities (registered users) must download the excel report from GoMuni under Database/Contacts/Reporting/Contact information on the following link:

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

Changes/ additions made must be forwarded to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za).

## 8.3 Submission of monthly sign-off

From 2024/25, municipalities will be required to sign off on the *m*SCOA data strings submitted for section 71 and grant reporting monthly. Currently this is being done manually on a quarterly basis. These monthly sign-off certificates will be system generated from the LGDRS and must be uploaded monthly with the data string submission to the GoMuni Upload portal.

## 8.4 Training on GoMuni

The training schedule and GoMuni links for 2024 to assist those users that require new or refresher training on how to draw reports on the LGDRS, is available on the GoMuni/ Go Training portal on the following link:

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

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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

**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**07 December 2023**

## Annexure A

The following focus areas should be considered (at a minimum) when developing the road map and the road map should detail action steps, assign responsibilities, and specify time frames to address the implementation gap:

- a. **ICT Architecture**, which includes the hardware, servers, software, licences required to run the ERP management systems.
- b. **Governance and Institutional Requirements** - which includes:
  - A functioning *m*SCOA steering committee or equivalent structure to monitor and report on progress against the road map. This committee consist of the heads of all business units and meet regularly (at least quarterly).
  - Regular reporting on *m*SCOA implementation to Management and Executive Committees and Council.
  - Appointment of a *m*SCOA champion to drive the *m*SCOA implementation at the municipality.
  - Appointment of a suitably qualified System Administrator.
  - The development and adoption of the required IT policies and securities.
  - Establishment of data back-up and disaster recovery procedures.
- c. **System Functionality** - which includes:
  - The ERP modules and 3rd party systems used. These must give effect to the minimum business processes and system requirements specified in MFMA Circular No. 80. Municipalities must budget adequately to procure the required functionality and upgrade to the *m*SCOA enabling version of the ERP.
  - Seamless and full integration of data in the ERP system, including 3rd party systems used by the municipality and its entities. The ERP system vendor sets the requirements for the integration.

An ICT due diligence assessment must be conducted 6 months before the Service Level Agreements (SLA) with an existing system vendor comes to an end to determine if an ERP system changes or extension of the existing SLA is required. Municipalities must follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98, 123 and *m*SCOA Circulars No. 5 and 6 prior to procuring a new ERP system. Guidance on procurement processes were also provided in MFMA Circular No. 107 (4 December 2020).

*The ERP system represents the General Ledger. Any 3<sup>rd</sup>-party system with a direct impact on the General Ledger must integrate fully and seamlessly with the ERP system in terms of the *m*SCOA Regulations. This means that data contained in the 3<sup>rd</sup> party system must synchronise without any human or manual intervention integrate to the ERP system without human or manual intervention in real time or at least daily and drill down from the ERP system to the General Ledger of the 3<sup>rd</sup> party system must be possible.*

d. **User Proficiency and Training**

- The relevant municipal officials and interns must be sufficiently capacitated on the

mSCOA chart, basic accounting, balance sheet budgeting and movement accounting and all system modules and functionalities to use the ERP systems solution. Consideration should be given to training, the establishment of User Support Groups and the availability of user manuals on the system.

- Change management initiatives to ensure that mSCOA is institutionalised as an organisational reform and not only a financial reform.

Annexure B

**SUBMISSION CHECKLIST 2024/25 MTREF BUDGET DOCUMENTS:**

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
<b>BUDGET DOCUMENTS</b>				
<b>Tabled Budget</b>	<ol style="list-style-type: none"> <li>1. A1 Schedule Draft</li> <li>2. Budget Document Draft</li> <li>3. Council Resolution Draft</li> <li>4. Quality Certificate Draft</li> <li>5. IDP Draft</li> <li>6. SDBIP Draft</li> <li>7. Spatial Development Framework Draft</li> <li>8. Long Term Financial Strategies Draft</li> <li>9. Service Standards Draft</li> <li>10. Rates Billing Draft</li> <li>11. Tariff List Draft</li> <li>12. Property Rates and Tariffs List Draft</li> <li>13. Draft Tariff Policies on:               <ol style="list-style-type: none"> <li>a. Property Rates and Service charges</li> <li>b. Borrowing</li> <li>c. Budget Implementation and Management</li> <li>d. Cash Management and Investment</li> <li>e. Credit Control and Debt Collection</li> <li>f. Funding and Reserves</li> <li>g. Indigents</li> <li>h. Long-term Financial Planning</li> <li>i. Management and Disposal of Assets Draft</li> <li>j. Infrastructure Investment &amp; Capital Projects</li> <li>k. Supply Chain Management</li> </ol> </li> <li>14. mSCOA Road Map Draft</li> <li>15. Fixed Asset Register Draft</li> </ol>	<ol style="list-style-type: none"> <li>1. TABB – Tabled Budget</li> <li>2. PRTA – Tabled Project Details</li> <li>3. A1D – Tabled non-financial data</li> </ol>	Immediately (within 24 hours) after tabling by council	15 April 2024



Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
	16. Funding Plan Draft 17. Indigent Register Draft 18. General Valuation Roll (GVR) Draft			
<b>Adopted Budget</b>	1. A1 Schedule Final 2. Budget Document Final 3. Council Resolution Final 4. Quality Certificate Final 5. Budget locking certificate Final 6. IDP Final 7. SDBIP Final 8. Spatial Development Framework Final 9. Long Term Financial Strategies Final 10. Service standards Final 11. Rates Billing Final 12. Tariff List Final 13. Property Rates and Tariffs List Final 14. Final Tariff Policies on: <ul style="list-style-type: none"> <li>a. Property Rates and Service charges</li> <li>b. Borrowing</li> <li>c. Budget Implementation and Management</li> <li>d. Cash Management and Investment</li> <li>e. Credit Control and Debt Collection</li> <li>f. Funding and Reserves</li> <li>g. Indigents</li> <li>h. Long-term Financial Planning</li> <li>i. Management and Disposal of Assets</li> <li>j. Infrastructure Investment &amp; Capital Projects</li> <li>k. Supply Chain Management</li> </ul> 15. mSCOA Road Map Final 16. Fixed Asset Register Final	1. ORGB – Original (adopted) Budget 2. PROR – Project Details Original Budget 3. A1F – Final non-financial data	10 working days after approval by council	12 July 2024

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
	17. Funding Plan Final 18. Indigent Register Final 19. General Valuation Roll (GVR) Final 20. D Schedule (entities) 21. MTREF Budget Schedule Time Table			
<b>Adjustment Budget</b>	1. Mid-Year Budget Perform Assessment S72 2. Resolution Mid-Year Budget Perf Assess S72 3. Adjusted Budget 4. B Schedule 5. Council Resolution 6. Quality Certificate 7. Budget locking certificate Revised 8. E schedule (entities)	1. ADJB - Adjusted Budget  2. PRAD - Project details Adjusted Budget	10 working days after approval by council	14 March 2024
<b>In-year Reporting</b>	1. S71 monthly report 2. Monthly C Schedule 3. Monthly Quality Certificate 4. Monthly Primary Bank Statements 5. Monthly Primary Bank Recon 6. Monthly Trial Balance 7. Signed S71 Monthly Report to Council 8. Signed Conditional Grant Monthly Report to Council 9. Monthly F Schedule (entities) 10. Quarterly mSCOA Implementation Progress Reports 11. Quarterly S52d Performance Reports	1. M01 – M12 - Monthly Actuals  2. CR01 – CR12 - Monthly Creditors  3. DB01 – DB12 - Monthly Debtors  4. BMQ1 – BMQ4 – Quarterly Borrowing Monitoring  5. IMQ1 – IMQ4 - Quarterly Investment Monitoring	10 working days after the end of month/quarter	15 August 2024 13 September 2024 14 October 2024 14 November 2024 13 December 2024 15 January 2025 14 February 2025 14 March 2025 14 April 2025 15 May 2025 13 June 2025 14 July 2025
<b>YEAR-END DOCUMENTS</b>				
<b>Pre-audit</b>	1. Pre-audited AFS	PAUD - Pre-audited AFS CRPA – Creditors DBPA - Debtors	Immediately (within 24 hours) after submission to AGSA	13 September 2024
<b>Audit</b>	2. Audited AFS	1. AUDA - Audited AFS  2. CRAU – Creditors	Immediately (within 24 hours) after conclusion of audit	14 March 2025

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
		3.DBAU - Debtors		
<b>Restated</b>	4. Restated AFS	RAUD - Restated AFS	Immediately (within 24 hours) after approved by Council	2022/23: 15 August 2024
<b>Annual Report</b>	5. Annual Report 6. Council Oversight Report	Not applicable	Within nine months after the end of a financial year deal	15 May 2025
<b>REVENUE MANAGEMENT DOCUMENTS</b>				
<b>Revenue</b>	<ol style="list-style-type: none"> <li>1. Tariff Tool Draft and Final</li> <li>2. Tariff Tool Final</li> <li>3. Bulk Suppliers (water and electricity) proof of payment-M01 to M12</li> <li>4. Proof of payment 3rd party (Staff benefits, SARS)-M01 to M12</li> <li>5. Bulk Suppliers - repayment plans</li> <li>6. Repayment plan (with any of its creditors excluding bulk suppliers)</li> <li>7. Municipality Valuation Roll Reconciliation-Q1 to Q4</li> <li>8. Revenue Enhancement Strategy</li> <li>9. Municipality Revenue Assessment Tool</li> <li>10. Schedule for the new general valuation roll</li> <li>11. Supplementary Valuation Roll</li> <li>12. Municipal Debt relief Application</li> </ol>	Not applicable	<ol style="list-style-type: none"> <li>1. Annually</li> <li>2. Monthly</li> <li>3. Monthly</li> <li>4. As applicable*</li> <li>5. As applicable*</li> <li>6. As applicable</li> <li>7. Quarterly</li> <li>8. Every 3 years*</li> <li>9. Every 3 years*</li> <li>10. Annually</li> <li>11. Annually</li> </ol>	
<b>MFRS DOCUMENTS</b>				
<b>MFRS</b>	1. Mandatory FRP Progress Report-M01 to M12	Not applicable	Monthly*	Not applicable



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## Introduction

This budget circular is a follow-up to MFMA Circular No. 126 that was issued on 07 December 2023. It aims to provide further guidance to municipalities with the preparation of their 2024/25 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2024 Budget Review and the 2024 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that are not covered in this circular.

## 1. The South African economy and inflation targets

Over the next three years, South Africa's economy is forecast to grow at an average of 1.6 per cent, a moderate improvement on the 1.4 per cent average expected at the time of the 2023 MTBPS. The outlook is supported by an expected recovery in household spending as inflation declines, and an increase in energy-related fixed investments.

Power cuts and operational problems in freight rail and ports continue to disrupt economic activity and limit the country's export potential. Comprehensive reforms are underway in these sectors, although it will take time to see recovery in growth. Household consumption is under pressure from high living costs, and investment remains low due to weak confidence and challenging business conditions linked to structural constraints.

South Africa has experienced over a decade of weak economic growth, GDP has averaged only 0.8 per cent annually since 2012, entrenching high levels of unemployment and poverty. To turn the tide and raise economic growth sustainably, government is prioritising energy and logistics reforms, along with measures to arrest the decline in state capacity. Successful efforts to improve the fiscal position, complete structural reforms and bolster the capacity of the state will, in combination, reduce borrowing costs, raise confidence, increase investment and employment, and accelerate economic growth.

The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment. GDP growth is projected to average 1.6 per cent from 2024 to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually. New energy projects will improve fixed investments and business sentiment.

To accelerate GDP growth after an extended period of weak economic performance, South Africa needs large-scale private investment. Government is working to improve the fiscal position, complete structural reforms and bolster the capacity of the state to reduce borrowing costs, raise confidence, increase investment, and put the economy on a higher job creating growth path.

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2022 – 2027**

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.6%

Source: 2024 budget review.

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 is projected to moderate from 6 per cent in 2023 to 4.9 per cent in 2024 and 4.6 per cent in 2025 and 2026 as food and fuel inflation continue to decline. In 2023 food inflation slowed less than expected due to power cuts and rand depreciation, keeping imported food costs high. An avian influenza outbreak also increased the costs for poultry and eggs. These factors are expected to dissipate over the medium term.

The current economic challenges in the country place pressure on households' ability to pay municipal accounts, therefore municipal own revenue generation gets affected.

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

### ***Fiscal strategy to contain debt (fiscal consolidation) through reduction of budgets and reprioritisation***

The 2024 budget balances development and sustainable public finances. In the context of persistent low economic growth, government will protect critical services, support economic growth through reforms and public investment and stabilise public debt. Although South Africa continues to confront difficult economic conditions, a moderate recovery is forecast in the economic outlook. Broad reforms are underway in energy, freight, water and telecommunications. Yet it will take time to reverse the consequences of operational, maintenance and government failures at state owned companies responsible for electricity, rail and ports. Rapid growth in debt- service costs choke the economy and the public finances. Government is staying the course to narrow the budget deficit and stabilise debt. This year, for the first time since 2008/09, government will achieve a primary budget surplus. Debt will stabilise in 2025/26.

The balanced approach to fiscal consolidation includes expenditure restraint and moderate revenue increases, while continuing to support the social wage and ensuring additional funding for critical services. Government will after extensive consultation propose a binding fiscal anchor for future sustainability. In the interim, the debt stabilisation primary surplus will anchor fiscal policy.

The consolidated budget includes the main budget framework and spending by provinces, social security funds, public entities including municipalities finances from their own revenue sources. Government remains committed to fiscal consolidation that balances the needs of the most vulnerable in society and protects the public finances for future generations.

## **2. Key focus areas for the 2024/25 budget process**

### **2.1. Local government conditional grants and unconditional grants allocations**

Net reductions of R80.6 billion to main budget non-interest expenditure are identified across the three spheres of government over the MTEF in comparison to the 2023 budget estimates. Among these 2024 MTEF fiscal consolidation reductions, local government has the smallest contribution. Over the 2024 MTEF, the local government equitable share and direct conditional grants will be reduced by a total of R15.5 billion, made up of R9.6 billion in the local government equitable share and R5.9 billion in direct conditional grants. Despite reduction, local government equitable share growth remains high with transfers to local government significantly increasing by 5.2 per cent annually, driven mainly by the strong growth of local government equitable share by 6.1 per cent. National revenue share increases by 2.6 per cent annually, while transfers to provinces grow by 3.8 per cent annually, with the equitable share growing faster than conditional grants. There were no proposed reductions on the sharing of the general fuel levy to the metropolitan municipalities.

### ***Notable changes to the conditional grants system***

Given the ongoing review of the conditional grants system, very minimal changes were proposed to local government conditional grants. The proposed changes indicate a continued focus on enabling municipalities to improve service delivery to communities.

### ***New conditional grant for smart prepaid meters***

A new indirect grant, which will be managed by the National Treasury will be introduced in 2024/25. This grant will present an important opportunity for municipalities in the debt relief programme. While debt relief is a critical component of supporting struggling municipalities, it is important to also provide the municipalities with the tools and the necessary funding to improve their operations and long-term sustainability.

This new indirect conditional grant for smart prepaid meters is a meaningful step towards providing municipalities with the financial support they need to better manage their utilities, by ensuring timely and accurate billing; reducing losses; and enhancing operational sustainability. Municipalities will be able to manage their utility services and provide to water and electricity services effectively and efficiently. The grant will initially focus on providing debt relief for Eskom and will be implemented targeting specific municipalities in its initial years.

### ***Improving regulatory levers and reforms***

By enhancing the usage of regulatory frameworks in the conditional grants system, the government is taking steps to ensure that municipalities prioritise critical projects and utilise resources effectively. The use of results from the Department of Water and Sanitation's Watch Reports in the prioritisation of water and sanitation projects funded from general-purpose grants such as the integrated urban development grant (IUDG), and municipal infrastructure grant (MIG), will improve the quality and impact of these projects. Further, requiring municipalities to use the results of green drop, blue drop and no drop assessments in planning and prioritising projects will drive greater accountability and transparency in the use of grant funds, promoting sustainable and effective service delivery.

## **2.2. Post 2023 MTBPS changes**

A number of reductions that were proposed in the 2023 MTBPS have been reversed but revised downwards, and several further cuts and other reprioritisations effected to make funds available for other government priorities. These include:



**Reductions reversed:** Previous reductions proposed on the sharing of the general fuel levy to the metropolitan municipalities, the rural roads asset management systems and the water services infrastructure grants have been reversed.

**Reductions revised downwards:** The previous reduction of R218 million to the integrated national electrification programme municipal grant is revised to R204 million; the previous reduction of R49 million to the municipal disaster response grant is revised to R35 million; and the previous reduction of R48 million to the municipal systems improvement grant is revised to R27 million.

**Further reductions:** To make funds available for other government priorities, reductions have been made to some municipal conditional grants over the 2024 MTEF period. These include an additional reduction of R3.5 billion to the integrated national electrification programme Eskom grant; an additional reduction of R73 million to the integrated urban development grant; an additional reduction of R14 million to the energy efficiency and demand-side management grant; an additional reduction of R4 million to the public transport network grant; an additional reduction of R127 million to the direct component of the regional bulk infrastructure grant; and an additional reduction of R852 million to the indirect component of the regional bulk infrastructure grant.

**Reprioritisations:** Reprioritisations over the MTEF period include the following: R58.3 million from the direct component of the municipal infrastructure grant is converted to the indirect component of the grant; R587 million from the direct component of the regional bulk infrastructure grant is converted to the indirect component; R91 million from the integrated urban development grant and R1.4 billion from the municipal infrastructure grant are shifted to the municipal disaster recovery grant to fund the repair and reconstruction of municipal infrastructure damaged by the floods that occurred between February and March 2023; R400 million from the first two years of the MTEF period are shifted to the outer year in the public transport network grant; R2 billion is reprioritised from the integrated national electrification programme municipal grant to fund the baseline for the new smart meters grant; and R432 million is reprioritised from the integrated national electrification programme Eskom grant to fund other priorities in the energy sector.

### 2.3. Review of the local government fiscal framework

Government's five-year programme of action to improve local governance, as endorsed by the Budget Forum, includes efforts to improve the funding model for local government. The National Treasury is reviewing a draft report for regulating municipal surcharges on electricity and identifying alternative sources of revenue to replace these. The next step will be consultation with external stakeholders.

The local government equitable share formula is being updated in various ways, including improving its responsiveness to the different functions assigned to district and local municipalities. In addition, the formula will be refined with reforms such as exploring the feasibility of introducing a cost differential model, community services components for health services and firefighting functions, objective criteria for benchmarking municipalities in relation to their administrative functions. The Department of Cooperative Governance, the National Treasury, the South African Local Government Association, the Financial and Fiscal Commission and statistics South Africa are identifying areas for refinement over the 2024 MTEF period.

### 2.4. Update on the review of the conditional grants

The South African government initiated a review of the existing grant system amid concerns of its effectiveness, including underspending on infrastructure grants and fragmentation in



the provincial and municipal grant systems. The review involved stakeholder consultations and literature reviews of conditional grant programmes to gain insights and make evidence-based recommendations for reform.

In April and May 2024, multiple consultation platforms will be set up to share the preliminary findings with the multi-stakeholder team. While some changes resulting from the review were reflected in the 2024 Budget, further proposed reforms are likely to be considered in the 2025 budget process and implemented gradually in a phased manner.

## **2.5. Funding for Local Economic Development (LED) Programmes**

National Treasury is mindful of the essential role played by municipalities in driving economic development and job creation to mitigate inequality and attract private investment. In addition to the infrastructure grants, municipalities also receive about 66 per cent of their allocations in unconditional grants, which can be utilised to fund operational parts of the LED initiatives. However, it is important to note that economic development does not rely solely on a single funding pot, but on various forms of government programmes and grants. This includes support and initiatives from the Department of Trade, Industry and competition funded by provinces through their equitable share.

Whilst there is a call for creation of conditional grant, it is worth noting that the creation of a dedicated grant for LED initiatives comes with its challenges. In the past, when such grants were introduced, government institutions reprioritised funds that were initially funding the LED programmes, leading to over-reliance on conditional grants. This dependence undermines the purpose and sustainability of these programmes, as their funding is primarily dependent on the availability of funds from the fiscus and the performance of the economy. Therefore, there is a need to align conditional grants with economic development areas while also ensuring their integration with other government spheres to support the developmental mandate effectively.

In addition, it is also crucial for municipalities to provide essential services such as electricity, water, and sanitation efficiently. The efficient provision of these services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive. Therefore, National Treasury urges municipalities to prioritise the provision of these services to enhance economic development and improve the quality of life for their residents.

## **2.6. Reforms to improve the efficiency and financial sustainability of metro's trading services**

Due to years of neglect and inadequate infrastructure maintenance, South Africa's municipalities face severe utility services issues, including in water, wastewater, and electricity. A loss of essential management and technical skills has also contributed to the decline in service quality and reliability. Metro water services alone suffer from an investment gap of R9 billion per year. These inefficiencies threaten economic growth and job creation and increases poverty. Government transferred substantial monetary allocations to local government in the successive Budgets to support water services, but the outcome and value for money of these transfers is low. To address this, an incentive grant system is being explored for 2025/26 to increase investments, change management and governance structures, promote professional management, and ensure transparency, starting with metros.

These reforms are commencing in the 2024/25 municipal financial year with the conditions being introduced in the Urban Settlement Development Grant (USDG). Thereafter, the reform will be extended to other revenue-generating trading services.

### **2024/25 USDG Financing Component for Trading Services**

Municipalities must submit the following to the transferring officer and the National Treasury to qualify for making an application for the financing component:

- A council approved turnaround strategy to the Department of Human Settlement (DHS) and the National Treasury by 31 July 2024;
- A roadmap on the institutional reforms for improved management and governance to be submitted to DHS and National Treasury by 30 September 2024; and
- A business and investment plan that is consistent with the services development plan by 30 September 2024.

In support of these conditions, National Treasury will issue a guidance note by 1 April 2024, on requirements for turnaround strategies, institutional reforms and business plans for the financing component on trading services.

### **2025/26 onwards Improving the efficiency of urban utility services**

Beyond 2024/25, the intention is to extend the reform agenda beyond water services to other revenue-generating trading services, including electricity and solid waste management. The Explanatory Memorandum, **Annexure W1**, to the 2024 Division of Revenue Bill provides the following direction on future work on municipal fiscal frameworks linked to trading/ utility services.

The grant reforms will aim to:

- Increase the level of investments in utility services (water, wastewater, electricity and solid waste) by leveraging grant finance with loan finance, linked to improved operational and financial performance of services providers;
- Catalyse changes in the structure, management, and governance of utility services businesses to support improvements in operational, technical and financial performance;
- Promote professional management with a single point of management accountability for utility services in cities, suitable managerial autonomy and the technical skills necessary to manage an effective service; and
- Promote and ensure full financial transparency, including by making the financial relationship between municipalities and the utility services explicit.

#### **2.7. Criteria for the release of the Equitable Share:**

- The criteria for the release of the equitable share were covered in Circulars No. 122 remains relevant and are still applicable for the release of equitable share instalments in the 2024/25 financial year.
- Failure to comply with the criteria will result in National Treasury invoking Section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

## **3. Revenue Management**

### 3.1. Update on Municipal Debt Relief (MFMA Circular No. 124)

#### **Accounting Guidance**

Municipalities whose Municipal Debt Relief applications were approved must fully account for and correctly report on the write-off of their Eskom arrear debt and related benefits. Municipalities should note the guidance in this regard provided in *MFMA Circular No. 124: Supplementary Guide on the accounting- and mSCOA reporting requirements* that can be accessed on the MFMA website at the following link: <http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>.

It is recommended that all municipalities familiarise themselves with the guidance as far as it relates to correctly budgeting- and accounting for free basic services as well as raising and paying their bulk accounts.

#### **Debt relief reporting requirements**

Municipalities approved for debt Relief (in terms of their National Treasury approvals), must ensure that their MFMA s.71 statements, over-and-above the normal MFMA s.71 requirements, include the following as a minimum:

- The municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A2 (signed by the Municipal Manager) – municipalities should use the latest format of the compliance certificate issued during February 2024 available under MFMA Circular No. 124 and included as **Annexure B** to this circular;
- The municipality's progress towards restricting free basic services to the national policy limits (condition 6.6) and in the format included as **Annexure C** to this circular;
- The municipality's progress towards achieving a minimum average quarterly collection of 80 per cent (condition 6.7) and in the format included as **Annexure D** to this circular;
- If the municipality's 2023/24 and/ or 2024/25 MTREF is not funded, the MFMA Section 71 statement must monthly include the municipality's progress against its approved Budget Funding Plan – if the municipality has an approved the Financial Recovery Plan (FRP), the monthly FRP progress report must include the municipality's progress against the components of the FRP aimed to achieve a funded budget and revenue enhancement initiatives;
- The high-level summary of its monthly property rates reconciliation (in the National Treasury template format already shared with the municipality during the application process); and
- The municipality's progress in addressing any variances evident from its monthly property rates reconciliation; etc.

### 3.2. Smart Meter Grant

With regard to the smart meter grant referred under 2.1 above, the National Treasury has targeted MFMA Circular No. 124 debt relief applicants for the initial implementation of this grant.

The potential beneficiaries of the smart meter grant will be invited by National Treasury and a compulsory template will be circulated for completion by municipalities. This invitation will be sent out before 15 March 2024. Furthermore, the grant conditions require a council resolution endorsing the application.

A completed template with supporting documentation and council resolution must be submitted to [revenuemanagement@treasury.gov.za](mailto:revenuemanagement@treasury.gov.za) and [sadesh.ramjathan@treasury.gov.za](mailto:sadesh.ramjathan@treasury.gov.za) before 30 April 2024.

The applications will be evaluated before 31 May 2024 and allocations will be completed determined the commencement of the municipal budget year.

### 3.3. Transversal tender RT-29

The National Treasury is finalising the RT-29 transversal tender for a smart metering solution, and the appointed panel is available to all municipalities from March 2024. The transversal tender is targeting smart meter solutions for the water and electricity functions, STS meters compliance and load reduction systems. It will also enable municipalities to implement bi-directional smart metering systems. Municipalities are once again cautioned not to contract any smart metering systems or solutions without considering the RT-29 transversal tender which provides a competitive pricing comparison and cost saving on procurement. Municipalities wishing to participate in the RT-29 transversal must make their interest known to the Office of the Chief Procurement Officer (OCPO) on the email [TCcontract1@treasury.gov.za](mailto:TCcontract1@treasury.gov.za). These municipalities must show evidence of a budget allocation in the current budget as well as future budgets for participation.

## 4. Conditional Grant Transfers to Municipalities

### 4.1. Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2023 (Act No.5 of 2023) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2023 (Act No. 24 of 2023), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2023/24 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of Section 21(2) of the 2023 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of Section 21(2) of the 2023 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that the service provider was appointed for delivery of the project before 29 March 2024; or
  - b) Proof of project tender and tender submissions published and closed before 31 March 2024 or with the appointment of contractor or service provider for delivery of service before 30 June 2024 in cases where additional funding was allocated during the course of the financial year of the project;
  - c) Incorporation of the Appropriation Statement; and
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).

4. A progress report (also reflecting percentages) on the status of each project's implementation that includes an attached legible implementation plan);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

**If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2024, the application will be declined.**

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of Sections 71 and 72 of the MFMA and Section 12 of the 2023 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2024;
3. Accurate disclosure of grant performance in the 2023/24 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2023/24 pre-audited Annual Financial Statements (i.e. Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2024 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover is not entirely cash-backed, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2023/24 allocation to the municipality. In cases where the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2023/24 allocation;



2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be carefully considered;
3. Funding for projects procured through Regulation 32 and 37 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 March 2024. All invoices issued to the municipality before 31 March 2024 should be paid within the same year against the allocated conditional grants. i.e invoices must be paid within 30 days.

#### 4.2. Unspent conditional grant funds for 2023/24

The process to ensure the return of unspent conditional grants for the 2023/24 financial year will be managed in accordance with Section 21 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2024 conditional grant expenditure reports according to Section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2024. The unspent grant values must be determined based on the guidance that was provided in *mSCOA Circular No. 13* in as far as VAT, retention and interest is concerned; and
- Step 3: If the receiving officer wants to motivate in terms of Section 21(2) of the 2023 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2024.

***National Treasury will not consider any rollover requests that are incomplete or received after this deadline.***

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2024;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 12 November 2024. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 18 November 2024; and
- Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 18 November 2024, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 04 December 2024 equitable share allocation.

*All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.*

## 5. Funding choices and management issues

Given the current economic crisis the country faces, Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Municipalities are advised to consider all the advice

provided in MFMA Circular No 126, 123 and other previous circulars under this topic to ensure the adoption of surplus and funded budgets.

### **5.1. Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation and this has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. The 2022 State of Local Government Finance Report revealed that 157 municipalities are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

### **5.2. Remuneration of Councillors**

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

### **5.3 Governance, performance, and investment matters**

South Africa has reached a stage where all of government including municipalities need to play in pivotal role in igniting the economy of the country. There is a need for a concerted effort to put initiatives that will attract the investments which will stimulate the economy. The investments take place in the local government and municipalities in particular as the custodian of the spatial planning and enabling infrastructure.

Critical infrastructure such as water, sanitation and electricity to stimulate the economy is owned, maintained and developed by the municipalities. In the last 30 years, there has been investment in ensuring that access to basic services – water, electricity and refuse - is improved markedly.

However, there has been little to no investment on bulk infrastructure such as water treatment works, wastewater treatment works and electrical substations which are the backdrop for enabling investment in municipalities.

Of concern is that budget for operation and maintenance have been negligible. If the trends continue without arresting the decline, the municipalities will in all likelihood not experience

growth. This will reduce the prospect for economic growth leading to high unemployment and less economic activities in general.

As such, the municipalities need to take the responsibility to create initiatives which will attract more investment. Key initiatives to improve this are investing in bulk and connector infrastructure as well as strengthening good governance.

The budget allocation to address infrastructure requirements are not sufficient. As such, the municipalities should improve governance and the overall financial health which will allow for the financier to be attracted to borrow municipalities to finance enabling infrastructure.

Urban management and in particular cleaning of the environment is critical for ensuring that municipal area is attractive. Thus, ability to attract investment should also include clearly defined initiatives that ensure the city is continuously clean. This will retain existing investors and also enable the municipalities to attract new investors who wishes to locate in the municipal area.

*A firm's decision to invest is influenced by factors such as infrastructure and land availability, the institutional and regulatory environment, skills availability and innovation levels and the availability of enterprise support and finance. Municipalities have key roles that influence a decision to invest and expand in a particular space. Poorly performing spaces – such as industrial parks, CBDs, logistics hubs, townships – discourage investment and encourage disinvestment. Poorly performing economic assets, such as roads, ports, rail, communications, do the same. Many of the reasons for poor performing spaces and assets lie within the ambit of the public sector, but not all within the local sphere. In some instances, municipalities are directly responsible for what needs to be done, in other areas the municipality needs to mediate inter-governmental solutions.*

To turnaround these spaces and unlock their economic potential the immediate focus must be on getting the basics right first –

- Ensure reliable and sustainable service delivery – water, sanitation, stormwater, roads, lighting and waste management;
- Ensure effective land governance – urgently resolve inter-governmental issues that inhibit performance;
- Undertake bulk infrastructure repair and maintenance;
- Address business and community safety issues;
- Operationalise and manage public open spaces and assets; and
- Manage the spaces – at minimum put in place municipal transversal teams responsible for ensuring the basics are in place.

The quality and transparency of municipal governance has a direct impact on economic performance. Dysfunctional municipalities discourage new investment and result in job loss. Ensuring the effective management of municipal businesses through evidenced-based decision making and sound financial management is essential to attract and retain firms. Improving the efficiency and transparency of municipal business processes that impact on the private sector – such as registering property, getting electricity connections, construction permits, obtaining wayleaves, getting a water connection, and issuing an informal trader permit – goes a long way to building business confidence and municipal credibility.

#### **5.4 Environmental Pollution**

The deteriorating quality of water resources in urban and rural areas due to pollution, failing infrastructure such as wastewater treatment and the lack of enforcement of by-laws, legislation and urban management, exacerbates water scarcity, and increases costs of providing potable water.



Municipalities are urged to anticipate the imminent approval of the water pricing strategy, which introduces a waste discharge charge. This penalty underscores the need for municipalities to ensure that they comply with and enforce all legislation and by-laws governing urban and environmental management. This requires municipalities to prioritise effective and efficient service delivery, including sufficient investment in asset maintenance, expansion and renewal for solid waste management, wastewater treatment, as well as by-law enforcement to mitigate the continuous pollution of streams and rivers.

Collaboration among municipalities, sector departments, NGOs, citizens, and the private sector are essential for mobilising resources to prevent further deterioration and restoration of water resources. Such efforts need to only prevent pollution at source but also safeguard water quality for future generations, making the strategic investment in water resources a cornerstone of sustainability, economic growth and healthy environments.

## 6. Municipal Standard Chart of Accounts (*m*SCOA)

### 6.1. Go Live on Version 6.8 of the Chart

*m*SCOA version 6.8 will go live on 20 March 2024, whereafter municipalities will be able to upload their tabled budget (TABB) and tabled project files (PRTA) data strings for the 2024/25 MTREF on the GoMuni portal.

After going live on version 6.8 of the chart, all the reports available on the LGDRS will be aligned to *m*SCOA chart version 6.8. This includes the format of the Section 71 report for Q3 and Q4 of 2023/24.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 6.8 of the chart. A **protected** version of the MBRR Schedules for version 6.8 of the chart and A1S is available on the on the MFMA Webpage on the link below:

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

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

In terms of the *m*SCOA Regulations, municipalities must generate the regulated MBRR schedules that is tabled and adopted by Council directly from their financial ERP systems and not import or captured it on the system at a later stage. This is necessary to ensure that there is 'one version of the truth', namely the data in the financial ERP system is the same as the report tabled and adopted by Council and the information submitted to the National Treasury and other stakeholders.

### 6.2. *m*SCOA data strings credibility

Municipalities must verify the credibility and accuracy of the tabled budget (TABB) and project file (PRTA) data strings **prior and post** to uploading it to the National Treasury Local Government Database and Reporting System (LGDRS). These data strings will be the sole source used by National and Provincial Treasuries to analyse and determine if the municipality's budget is funded and the credibility is therefore of utmost importance.

Registered users from municipalities, provincial treasuries and National Treasury have full access to their data on the LGDRS and can draw the information to verify the accuracy of the figures for their respective municipalities or province (in the case of provincial treasuries). The LGDRS reports can be accessed by registered users on the following link:

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

From 2025/26, the National Treasury will open the access to all reports available on the LGDRS to the public. Municipalities should make a concerted effort to resolve their *mSCOA* data strings credibility issues as soon as possible to avoid facing the consequences of financial misconduct in terms of Section 171(1)(d) of the MFMA.

The LGDRS also provides information on municipal budgets and performance to the public through the Municipal Money portal. The information on the Municipal Money portal is sourced from the Consolidated Section 71 Reports published quarterly by the National Treasury. The Municipal Money portal is part of South Africa's Open Government Partnership (OGP) 5<sup>th</sup> National Action Plan to improve transparency and public participation in government processes and a link to the Municipal Money portal is available on the OGP website (76 countries and 104 municipalities are members).

### 6.3. Regulating the minimum business processes and system specifications for *mSCOA*

The National Treasury commenced with the work to regulate the minimum business processes and system specifications for *mSCOA* towards the end of 2025/26. The following working groups will be established to ensure that relevant stakeholders are consulted during the review processes:

- a. **Corporate governance** including internal and external audit, oversight committees, performance management, IT system requirements and management, municipal websites, document management, reporting mechanisms;
- b. **Municipal budgeting, planning and financial modelling** including IDP, Budgets Management, Revenue, Human Resources (HR) /Payroll, Assets;
- c. **Financial accounting** including general ledger, accounts receivables and payables, financial reporting, AFS reporting, insurance management, consolidation reporting;
- d. **Costing and reporting** including cost planning and cost management and reporting;
- e. **Project accounting** including project creation and planning, project management and reporting, contract management;
- f. **Treasury and cash management** including cash management and reporting, grant management and reporting, investment management and reserves, borrowings management, provisions and contingent liabilities;
- g. **Supply chain management** including supply chain management and inventory;
- h. **Full asset life cycle management** including maintenance management and asset management;
- i. **Real estate management** including property register and rental management and general processes;
- j. **Human resource and payroll management** including human resources, time management, payroll management and reporting;
- k. **Revenue management**, customer care, credit control and debt collection including revenue management and billing, credit control, customer management, debt collection, indigent management;
- l. **Valuation roll management**; and
- m. **Land use building control** including land use and building control.

Municipalities are urged to ensure that the officials that participate in the working groups have the technical knowledge and experience to participate meaningfully in these forums. Integrated Consultative Forums will also be held quarterly to keep **all** stakeholders informed and provide them with an opportunity to provide inputs on the business processes and system specification that will be regulated. A dedicated email address will be created for comment and inputs relating to the review processes underpinning these Regulations.

## 7. Submitting documents to the GoMuni Upload Portal

### 7.1. Submissions to the National Treasury

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

- [https://lg.treasury.gov.za/ibi\\_apps/welcome](https://lg.treasury.gov.za/ibi_apps/welcome) (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: • mSCOA Data Strings; • Budget-related, in-year and year-end documents and schedules (A, B and C); and • Revenue and MFRS Documents (as per MFMA Circular No. 126);
- [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za) – Database related and submission queries; and
- [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) – Only Provincial Treasuries may send contact details to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za).

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.

### 7.2. Updating of contact details on GoMuni

From 1 April 2024, municipalities (registered users) will be able to make changes/ additions to their own contact details directly on the LGDRS. To municipalities and their respective provincial treasury must select and update the relevant details on GoMuni under Database/Contacts/Reporting/Contact information on the following link:

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

Municipalities must ensure that their contact details on GoMuni are updated as soon as changes occur.

### 7.3. Submission of additional reports

From 14 March 2024, municipalities whose debt relief applications were approved will be required to submit reports to the GoMuni Upload portal as indicated in MFMA Circular No 124 dated 31 March 2024. The list of the required debt relief reports is attached as **Annexure A**.

### 7.4. Procurement spend reporting

In order for government to fulfil its social responsibility to channel procurement spending towards certain designated groups and to unlock economies of scale in government procurement expenditure, a single standardised view needs to be created into the

procurement spend information across all spheres of government on a transactional level for spend and trend analysis purposes.

The OCPO designed and built a Data Warehouse that serves as common repository for procurement related data with the necessary capabilities to produce standardised information in a dashboard format via various Business Intelligence tools. Currently procurement spend data of all National and Provincial departments from 2017 to date is hosted and analysed in the Data Warehouse.

From 1 March 2024, municipalities must on monthly basis report all goods and services related payments at a transactional level monthly. Towards this end, municipalities must complete and submit the template attached as **Annexure E** and submit it to the GoMuni Upload portal under the folder Documents/ Other. These reports are due by the 15<sup>th</sup> of the month that follows the reporting month. The first report is therefore due on 15 April 2024. This information is only required for municipalities and not for municipal entities.

A Data Upload Tool is also available that allows municipalities to capture their spending data manually or extract the relevant information from the municipality's payment system automatically. Information captured on the Data Upload Tool will be submitted directly into the OCPOs Data Warehouse once the various online input validations to ensure the accuracy and completeness of the data has been passed. To access the tool, an email request must be sent to [ocpodatarequest@treasury.gov.za](mailto:ocpodatarequest@treasury.gov.za) to obtain a User ID and Password that is institution specific. Training on the use of the OCPO Data Upload Tool as well as technical integration information will be provided after the institution has received a User ID and Password.

The submission status of the OCPO Spend Report will be included on the status report of document submissions available on the LGDRS. Municipalities that opt to use the Data Upload Tool instead of submitting the excel template to GoMuni must submit a 'not applicable form' to the GoMuni Upload portal for their non-submission is not classified as outstanding.

## 8. The Municipal Budget and Reporting Regulations

### 8.1 Assistance with the compilation of budgets

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

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553 012-315 5171 012-315 5807	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a> <a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a> <a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso Cethekile Moshane	012-315 5952 012-315 5079	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a> <a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Oreal Tshidino Willem Voigt Makgabo Mabotja Enock Ndlovu Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 5171  012-315 5830 012-315 5156 012-315 5385 012-315 5866	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a> <a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a> <a href="mailto:Oreal.Tshidino@Treasury.gov.za">Oreal.Tshidino@Treasury.gov.za</a> <a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a> <a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a> <a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a> <a href="mailto:Lunathi.dumani@treasury.gov.za">Lunathi.dumani@treasury.gov.za</a>
KwaZulu-Natal Msunduzi eThekweni uMhlathuze	Kgomotso Baloyi Lunathi Dumani Sifiso Mabaso Kevin Bell	012-315 5866 012-315 5866 012-315 5952 012-315 5725	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a> <a href="mailto:Lunathi.dumani@treasury.gov.za">Lunathi.dumani@treasury.gov.za</a> <a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a> <a href="mailto:Kevin.bell@treasury.gov.za">Kevin.bell@treasury.gov.za</a>
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a> <a href="mailto:Jabulile.ngwenya@treasury.gov.za">Jabulile.ngwenya@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani Sibusisiwe Mchani	012-315 5807 012-315 5539	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a> <a href="mailto:Sibusisiwe.Mchani@treasury.gov.za">Sibusisiwe.Mchani@treasury.gov.za</a>
Northern Cape	Mandla Gilimani Sibusisiwe Mchani	012-315 5807 012-315 5539	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a> <a href="mailto:Sibusisiwe.Mchani@treasury.gov.za">Sibusisiwe.Mchani@treasury.gov.za</a>
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape Cape Town George	Willem Voigt Enock Ndlovu Kgomotso Baloyi Mandla Gilimani	012-315 5830 012-315 5385 012-315 5866 012-315 5807	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a> <a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a> <a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues on GoMuni Website	Data management		<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>
Local government Conditional Grants	Conditional Grants team	012-315 5183	<a href="mailto:Sello.mashaba@treasury.gov.za">Sello.mashaba@treasury.gov.za</a> <a href="mailto:Unathi.lekonyana@treasury.gov.za">Unathi.lekonyana@treasury.gov.za</a> <a href="mailto:Pretty.mavhungu@treasury.gov.za">Pretty.mavhungu@treasury.gov.za</a> <a href="mailto:Marvin.ngobeni@treasury.gov.za">Marvin.ngobeni@treasury.gov.za</a> <a href="mailto:Akanyang.modise@treasury.gov.za">Akanyang.modise@treasury.gov.za</a>

## Contact



**national treasury**

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National Treasury  
REPUBLIC OF SOUTH AFRICA

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

**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**08 March 2024**

**ANNEXURE A – LIST OF REQUIRED REPORTS TO BE SUBMITTED TO NATIONAL TREASURY FOR DEBT RELIEF PROGRAMME (TEMPLATE)**

**ANNEXURE B – MUNICIPAL CERTIFICATE OF COMPLIANCE FOR DEBT RELIEF PROGRAMME (TEMPLATE)**

**ANNEXURE C – MUNICIPAL DEBT RELIEF – MONTHLY REPORTING – INDIGENT HOUSEHOLDS INFORMATION (TEMPLATE)**

**ANNEXURE D – MUNICIPAL DEBT RELIEF – MONTHLY REVENUE COLLECTION REPORTING (TEMPLATE)**

**ANNEXURE D – PROCUREMENT SPENT REPORTING (TEMPLATE)**

# Annexure E:

## BUDGET RELATED POLICIES



**FINAL**

**ASSET MANAGEMENT  
POLICY**

**2024/2025**



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## **1. OBJECTIVE**

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

## **2. BACKGROUND**

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

- 2.6.2. Accounting treatment for the acquisition, disposal, recording, impairment, valuation and depreciation of assets, and
- 2.6.3. The standards to which these financial records must be maintained

### 3. DEFINITIONS

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

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

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

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

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

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

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

The relevant currently recognized accounting standards include:

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

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

## 5. RESPONSIBILITIES AND ACCOUNTABILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **6. FINANCIAL MANAGEMENT**

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

Funds can only be spent on a capital project if:

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



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

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

## **6.3 Disposal of assets**

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

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

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

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

## **7. INTERNAL CONTROLS**

### **7.1 Financial asset registers**

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

7.1.2 Contents of the financial asset register:

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

7.1.3 Internal Controls over the financial asset registers:

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

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

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

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

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

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

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

### **7.3 Transfers of assets**

- Asset transfers must be done in writing

### **7.4 Verification of assets**

- The Municipality shall perform risk based asset verification at the end of each financial year.

### **7.5 Insurance of assets**

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

## 8. CLASSIFICATION & COMPONENTS

### 8.1 Classification of assets

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

### 8.2 Class of assets

- PPE asset hierarchy

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

- Servitudes

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

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

- Non-current assets held for sale

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

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

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

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

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

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

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

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

## 9. UNBUNDLING OF ASSETS

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

## 10.ACCOUNTING FOR ASSETS

### 10.1 Recognition of assets

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

## 10.3 Subsequent Measurement

### 10.3.1 Definitions and rules

#### Options

Accounting standards allow measurement after recognition of assets as follows:

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

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

#### Cost model

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

#### Revaluation model

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

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

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

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

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

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

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

#### Investment property

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

#### Statutory inspections

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

#### Expenses to be capitalised

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

#### Spare parts

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



### 10.3.2 Adopted accounting models

Measurement after recognition shall be on the following basis: -

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

### 10.3.3 Frequency of Revaluation

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

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

### 10.4 Donations or exchanges

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

### 10.5 Depreciation

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

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

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

#### 10.6 Initial determination of useful life

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

#### 10.7 Review of useful life

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

#### 10.8 Review of depreciation method

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

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

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

## 10.10 Impairment of assets

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

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

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

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

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

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

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

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

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

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

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

10.12 Reinstatement, maintenance and other expenses

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

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

10.13 Assets held under leases.

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

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

#### 10.14 Investment property

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

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

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

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

##### **Fair value**

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

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

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

#### 10.15 Fixed assets treated as inventory

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

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

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

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

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

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

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

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

#### 10.18 General maintenance of fixed assets

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

### **11. FINANCIAL DISCLOSURE**

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

### **12. DATE OF IMPLEMENTATION**

This policy shall be implemented 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.





**FINAL**  
**BILLING POLICY**

**2024/2025**

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## 1. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

**"Council"** means the Council of the Polokwane Municipality

**"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 25<sup>th</sup> of each month.

(iii)

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

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

**"Indigent Customer"** means the approved indigent household in term of council's indigent policy

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

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

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

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

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

## **2. ABBREVIATIONS**

AO Accounting Officer

CFO Chief Financial Officer

MFMA Municipal Finance Management Act 56 of 2003 (as amended)

MPRA Municipal Property Rates Act 6 of 2004 (as amended)

MSA Municipal Systems Act 32 of 2000 (as amended)

NCA National Credit Act 34 of 2005 (as amended)

VAT Value Added Tax Act 89 of 1991 (as amended)

IBT Inclining Block Tariff

### 3. PREAMBLE

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

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

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

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

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

### 4. OBJECTIVE OF THE POLICY

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

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

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

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

The principles of Billing in the Municipality are: -

- 5.1 The administrative integrity of the Municipality must be maintained at all times.
- 5.2 This policy must be approved by Council.
- 5.3 The policy must be made accessible.
- 5.4 A person liable for property rates and consumption levies must furnish the municipality with an address where correspondence can be directed to and remains his / her



responsibility to enquire with the municipality if the account is not rendered

- 5.5 Customers must receive regular and accurate accounts that indicate the basis for calculating the amounts due. The customer is entitled to have the details of the account explained upon request.
- 5.6 Customers must pay their accounts regularly on or before the due date.
- 5.7 Customers are entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 5.8 Customers are entitled to an efficient, effective, and reasonable response to queries dispute and appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.
- 5.9 All tariffs to calculate Property Rates, Electricity and Water consumption, Sewer and Refuse collection charges are determined annually, approved by Council, and contained in the Tariff booklet produced by the Municipality.

## **6. LEGISLATIVE FRAMEWORK**

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

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

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

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

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

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

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

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

- 6.2.1 the customer is insolvent,
- 6.2.2 the customer has failed to honor, or rejects to enter into, an agreement for the supply of electricity; or
- 6.2.3 the customer has contravened the payment conditions of that licensee.

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

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

The main objective of this Act is to provide for the right of access to “basic water supply” and “basic sanitation” necessary to ensure sufficient water and an environment not harmful to

health or well-being. The responsibility lies on the municipality as a water services authority to take reasonable measures to realize these rights.

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

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

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

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

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

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

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

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

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

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

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

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

Further, Section 90 of the Municipal Systems Act requires municipalities to adopt credit control and debt collection bylaws in order to give effect to the policy and to give the municipality legislative powers to enforce the policy. These bylaws may differentiate between categories of ratepayers, user of service, debtors, taxes, services, service standards and other matters, the differentiation must not amount to unfair discrimination.

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

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

## **7. SUPERVISORY AUTHORITY**

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

7.1.1 The implementation and enforcement of this policy; and

7.1.2 The performance of the Municipal Manager in implementing this

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

## **8. IMPLEMENTING AUTHORITY**

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

8.1.1 Implements and enforces the Billing policy.

8.1.2 Must establish effective administration mechanisms, processes and procedures to bill amounts that are due and payable to the Municipality.

8.1.3 Establish effective communication between the Municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders.

8.1.4 Establish customer service centers, located in such communities as determined by the Municipal Manager.

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

- 9.1 A customer who requires the provision of municipal services must apply for the service from the Municipality. The application must be made on the prescribed form.
- 9.2 The application for the provision of municipal services must be made by the registered owner of immovable property. An applicant can apply for the connection of services (water and electricity) without approved building plans. Except for:
- 9.2.1 Individuals and Businesses with lease agreements to lease properties from the Municipality;
- 9.2.2 Government Departments.
- 9.2.3 Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual sectional title owners; and
- 9.2.4 Approved Indigent Customers for the purposes of registering and allocating the applicable subsidy to qualified indigent customers who will be allowed to open an account in the name of the lessee of the property.
- 9.3 In case of existing arrangements where tenants have existing accounts, and the tenant is guilty of non-payment, the owner will be liable for the outstanding debt, except where the property concerned is owned by the Municipality.
- 9.4 In terms of section 102(3) of the Municipal Systems Act the Municipality must provide an owner of a property in its jurisdiction with copies of accounts sent to the occupier of the property for municipal services supplied to such a property if the owner requests such accounts in writing from the Municipality.
- 9.5 An agent may with a proxy open an account in the name of the owner.

- 9.6 Once you become the owner of the property or recipient of municipal services you are bind by the following: -
- 9.6.1 will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on the attorney and client scale;
- 9.6.2 that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account;
- 9.6.3 That the onus will be on the owner to ensure that he or she is in possession of an account before the due date; and
- 9.7 On receipt of the application for provision of municipal services, the Municipality will obtain the reading of metered services linked to the property to be taken on the working day after the application.
- 9.8 The first account for services charges will be rendered after the first meter reading cycle to be billed following the date of signing the service agreement.
- 9.9 In case of new buildings being erected and a connection is made for the first time to the main service lines the metering and levying of services actually consumed or received will take place as follow: -
- 9.9.1 All basic services will be billed to the registered owner on the billing date.

## **10. ACCOUNTS AND BILLING**

- 10.1 Accounts will be rendered using either one of the following channels;
- 10.1.1 By means of an email or website if so requested by the customer; or
- 10.1.2 By means of Multimedia system (MMS) if the account holder is registered for such a service

## **11. PROPERTY RATES**

11.1 Property Rates shall be billed monthly,

11.2 Property rates which are billed and recovered annually shall be billed in the July account of each year.

## **12. ELECTRICITY**

12.1 Service charges in respect of electricity shall be determined in accordance with metered consumption.

12.2 Monthly accounts shall be rendered for electricity consumption and the customer shall effect payment thereof by the due date.

## **13. WATER CHARGES**

13.1 The provisions of this policy, in respect of the supply of water to a customer, shall constitute the payment conditions of the Municipality as water services authority and water services provider, contemplated in sections 4 and 21 of the Water Services Act 108 of 1997.

13.2 Service charges in respect of water shall be determined in accordance with metered consumption.

13.3 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**

- 16.1 Upon receipt of a customer's application for the termination of municipal services, the Municipality shall: -
  - 16.1.1 Take final readings in respect of metered municipal services.
  - 16.1.2 Prepare and render a final account.
  - 16.1.3 Appropriate the customer deposit towards the reduction or settlement of any outstanding amount owed by the customer; and
  - 16.1.4 Return the customer deposit to the customer in the event that all amounts owing to the municipality have been settled in full.
  - 16.1.5 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 will be changed to a prepayment electricity meter at the cost of the Council.
- 17.4 The following applies to the reading of conventional meters: -
- 17.4.1 Conventional electricity and water meters are read at in cycles of approximately 30 days. The period must not be less than 28 days and not longer than 32 days.
- 17.4.2 If for any reason the conventional electricity and water meters cannot be read, the Municipality will render an account based on fix estimations, as approved by a resolution taken in Council. CR/42/10/20. The interim amount can also be based on the average daily consumption. Periods of /estimations cannot be more than 180 days.
- 17.4.3 The amount based on interim consumption will be adjusted in a subsequent account/based on the actual consumption.
- 17.4.4 The customer is responsible to ensure unhindered access to metering equipment for the purposes of obtaining the meter readings for billing purposes.
- 17.4.5 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.
- 17.4.6 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: -

18.5.7.1 The error shall be corrected or the adjustment made in the subsequent account;

18.5.7.2 Any such correction / adjustment in favour of Council must 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.

18.5.7.3 any such correction / adjustment in favour of the customer must 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.

18.5.7.4 Subsection 18.5.7.2 and 18.5.7.3 is in line with the Electricity and Water and Sanitation By-Laws.

18.5.7.5 The correction shall be based on the tariffs applicable during the period in which the error occurred.

17.4.7 Any water leakage within the property of the customer (consumer's side of the meter) will be the responsibility of the owner and the owner will be liable for the payment of the water that has leaked. Refer to section 40 of the Water and Sanitation By-Law.

17.5 The following applies to prepayment metering: -

17.5.1 Prepayment electricity and water is purchased at prepayment vending points for consumption after the date of purchase.

17.5.2 Amounts tendered for the purchase of prepayment electricity and water will not be refunded, except where the admin fee is paid for uploading and clearing of the voucher by the Municipal Official.

17.5.3 On request of the customer, copies of the previous prepayment meter vouchers will be provided.

17.5.4 Credits remaining in the prepayment meter will not be refunded when the premises

are vacated by a customer.

17.5.5 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.

17.5.6 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**

- 20.1 A customer may lodge a dispute with the Municipality within 30 days of receiving the account.
- 20.2 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.

## **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 subsection (2)(b) above is carried out for the sole purpose of establishing whether a contravention of this policy has been committed, and no such contravention has taken place, then the Municipality shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

## **22. IMPLEMENTATION AND REVIEW OF THIS POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**FINAL  
BORROWING POLICY**

**2024/2025**

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POLOKWANE MUNICIPALITY BORROWING POLICY	

### PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, policies,



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–  
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.

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## 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).

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### 4.3 Bonds

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

### 4.4 Use of Internal Funds

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

## 5. OTHER CONSIDERATIONS

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

## POLOKWANE MUNICIPALITY **BORROWING POLICY**

### 5.1 Factors to be considered when borrowing:

- the type and extent of benefits to be obtained from the borrowing;
- the length of time the benefits will be received;
- the beneficiaries of the acquisition or development;
- the impact of interest and redemption payments on both current and forecasted

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property tax and services revenue;

- the current and future capacity of the property tax base and rendering of services to pay for borrowings and the rate of growth of the property tax base and services;
- likely movements in interest rates for variable rate borrowings;
- other current and projected sources of funds;
- competing demands for funds;
- timing of money market interest rate movements and the long term rates on the interest rate curve.

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

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

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

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

## 5.2 REFINANCING DEBT

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

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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

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

## 5.5 OVERDRAFT

Polokwane Municipality has a Bank overdraft facility.

## 5.6 SHORT TERM DEBT

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

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

## 5.7 DISCLOSURE

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

## 5.8 GUARANTEES

The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

## 5.9 APPROVAL OF LOANS BY THE MUNICIPALITY

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

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

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

## 5.10 PROVISION FOR REDEMPTION OF LOANS

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

## 5.11 NON-REPAYMENT OR NON-SERVICING OF LOAN

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

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

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

## 6. PROHIBITED BORROWING PRACTICES

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

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

## 7. NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS

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

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## **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 2024 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.





**FINAL  
BUDGET  
AND  
VIREMENT  
POLICY**

**2024/2025**

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## 1. DEFINITIONS

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

**1.2 "Allocation"**, means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

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

**1.4 "Approved budget,"** means an annual budget-

- (a) approved by a municipal council, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

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

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

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

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

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

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

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

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

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

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

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

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

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

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

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

Act (refer to the MSA for definition);

**1.29 "municipality"-**

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

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

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

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

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

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

**1.34 "official", means-**

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

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

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

**1.35 "overspending"-**

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

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

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

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

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

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

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

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

(a) projections for each month of- (i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

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

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

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

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

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

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

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

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

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

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

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



**1.44 "vote" means-**

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
  
- (b) which specifies the total amount that is appropriated for the purposes of the Department or functional area concerned

**2. INTRODUCTION**

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

**3. OBJECTIVES OF POLICY**

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

- c) The policy shall establish and maintain procedures to ensure adherence to the IDP review and budget processes

#### **4. BUDGETING PRINCIPLES**

- a) The municipality shall not budget for a deficit and should also ensure that revenue projections  
in the budget are realistic taking into account actual collection levels.
- b) Expenses may only be incurred in terms of the approved annual budget (or adjustments  
budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- c) The MTREF budget shall at all times be within the framework of the Municipal Integrated Development Plan

#### **5. BUDGET PREPARATION PROCESS**

##### **5.1. Formulation of the budget**

- a) The Accounting Officer with the assistance of the Chief Financial Officer and the Heads responsible for IDP and Performance Management shall draft the Schedule of key deadlines for the budget and allied processes for the municipality and its municipal entities for the ensuing financial year.
- b) The schedule of key deadlines shall indicate the processes relative to the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- c) The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

- d) Strategic workshop shall be convened in September/October with senior managers to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.
- e) The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc).
- f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- g) The budget must be in the format prescribed by National Treasury and must be divided into capital and operating budget.
- h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- i) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

## **5.2 Public participation process**

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

## **5.3 Approval of the budget**

- a) Per legislation, Council shall consider the next medium term expenditure framework budget for approval not later than 31st May (at least 30 days before the start of the budget year).
- b) The annual budget must be approved before the start of the financial year.

- c) Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.
- d) The budget tabled at Council for approval shall include, inter alia the following draft resolutions:
  - i. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
  - ii. draft resolutions approving measurable performance objectives for each budget vote, taking into account the municipality's IDP;
  - iii. draft resolutions approving any proposed amendments to the IDP;
  - iv. draft resolutions approving any proposed amendments to the budget related policies;
  - v. draft resolutions approving the contents of the annual budget and supporting documents in terms of Section 17 of the MFMA

#### **5.4 Publication of the budget**

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

#### **5.5 Service Delivery and Budget Implementation Plan (SDBIP)**

- a) The Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.

b) The SDBIP shall include the following components:

- i. Monthly projections of revenue to be collected for each source
- ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
- iii. Quarterly projections of service delivery targets and performance indicators for each vote
- iv. Ward information for expenditure and service delivery
- v. Detailed capital works plan broken down by ward over three years

## **6. CAPITAL BUDGET**

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

- i. the impact on the present and future operating budgets of the municipality
- ii. relation to finance charges to be incurred on external loans,
- iii. depreciation of fixed assets,
- iv. maintenance of fixed assets, and
- v. any other ordinary operational expenses associated with any item on such capital budget.
- vi. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

### **Basis of Calculation**

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 entitlement of officials as at 30 June of each financial year,
  - ii. provision for bad debts in accordance with its rates and tariffs policies
  - iv. provision for the obsolescence and deterioration of stock in accordance with its stores management policy.
  - v. Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
  - vi. At least a minimum of 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.
  - vii. When considering the draft annual budget, council shall consider the

impact which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.

- viii. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- b) The operating budget shall reflect the impact of the capital component on:
  - i. depreciation charges
  - ii. repairs and maintenance expenses
  - iii. interest payable on external borrowings
  - iv. other operating expenses.
- c) The chief financial officer shall ensure that the cost of indecency relief is separately reflected in the appropriate votes.

## **8. FUNDING OF CAPITAL AND OPERATION BUDGET**

**The budget may be financed only from:**

### **8.1 Own Financing Sources (Basic Capital Budget)**

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

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

## **8.2 Other Finance Sources (Ad Hoc Capital Budget)**

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

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

## **9. UNSPENT FUNDS/ ROLL OVER**

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



- f) No unspent operating budget shall be rolled over to the next budget year

## **10. VIREMENT BUDGET/ TRANSFERS**

Virement is the process of transferring budgeted funds from one line-item number to another, with the approval of the relevant Director and CFO, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

### **9.1 Financial Responsibilities**

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

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

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

### **10.2 Virement Restrictions**

- a) No funds may be transferred between votes (Directorates) without approval in the adjustment budgets.
- b) Virements resulting in adjustments to the approved SDBIP need to be submitted with  
  
an adjustments budget to the Council with altered outputs and measurements for approval.

- c) No virement may commit the Municipality to increase recurrent expenditure, which  
 commits the Council's resources in the following financial year, without the prior approval  
 of the Mayoral Committee. This refers to expenditures such as entering into agreements  
 into lease or rental agreements such as vehicles, photo copiers or fax machines
- d) No virement may be made where it would result in unauthorised expenditure.
- e) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- f) Virements are not allowed in respect of ring-fenced allocations.
- g) Virements are not allowed on the following items: - Finance Charges, Depreciation,  
 Debt Impairment, Contributions, Grant Expenditure and Income Foregone, Insurance and VAT
- h) Virements must be between projects of similar major funding sources (e.g. CRR ↔ CRR)
- i) Virement amounts may not be rolled over to subsequent years, or create expectations  
 on following budgets. (Section 30 MFMA)
- j) Virements are not allowed between Expenditure and Income.
- k) Virements are not allowed between capital and operational budgets without approval in the adjustment budgets.
- l) Virements towards personnel expenditure and vice versa will not be permitted.
- m) No budget may be moved to or from a vote, programme or project etc. that will exceed 20%  
 of that vote
  - i. This refers to virement within a directorate that must not exceed 20% of that department's total approved budget of the following Sub-votes – Other Materials, Contracted Services and Other Expenditure
- n) Any virement in excess of 20% should be approved by Council, however this threshold shall not apply in case of emergency

- o) No virement may be made where it would result in over expenditure (MFMA Section 32);
- p) Virement should only be allowed within a *m*SCOA function and its sub functions<sup>1</sup>, except for the following cases:
  - 1. A Project extending over/ incorporating more than one *m*SCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source;
  - 2. Where the Finance and Administrative function or sub function is directly linked to another Function or sub function, then savings in the linked function/ sub-function may be applied in the Finance and Administrative function or vice versa<sup>2</sup>. Therefore virement between Rates Services and Trading Services and across Trading Service are not allowed;
  - 3. Virements should not result in adding 'new' projects to the Capital Budget;

### **10.3 Virement Procedure**

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

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

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

## 11. ADJUSTMENT BUDGET

- a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- c) Council may revise its annual budget by means of an adjustments budget 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.

#### **13.5 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.

#### **14. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.





**FINAL  
CASH MANAGEMENT  
AND  
INVESTMENT POLICY**

**2024/2025**

## **PREAMBLE**

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

**And whereas** a municipality must disclose its investment details;

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

**Now therefore** the Polokwane Municipality adopts the following Investment Policy:

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## 1. DEFINITIONS

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

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

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

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

## **2. OBJECTIVE OF POLICY**

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

## **3. 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.

## **4. RESPONSIBILITY / ACCOUNTABILITY**

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

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

4.3 Efficient and effective investment management include: -

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

e) Avoiding bank overdrafts.

## **5. INVESTMENT INSTRUMENTS**

5.1 The Minister of Provincial and Local Government may with the

concurrence of the Minister of Finance by notice in the Gazette determine instruments or investments other than those referred to below in which Municipality may invest: -

a) Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);

b) Securities issued by the National Government;

c) Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No. 46 of 1984);

d) A municipality's own stock or similar type of debt; internal funds of a municipality which have been established in terms of a law pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a municipality, to finance capital expenditure;

e) Bankers' acceptance certificates, negotiable certificates of deposits of banks;

f) Guaranteed Endowment policies offered by insurance companies in order to meet the redemption fund requirements of municipalities; and

g) Any other instruments or investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

## **6. CASH FLOW ESTIMATES**

6.1 Before money can be invested, the Municipal Manager must

determine whether there will be surplus funds available for the term of the investment.

6.2 In order to be able to make investments for any fixed term, it is

essential that cash flow estimates can be drawn up.

6.3 Provision must be made in the cash flow estimates for the

operating and capital requirements of the municipality: -

a) The operating requirements must include provisions for: -

(i) Payment of monthly salaries.

(ii) Payment for bulk purchases of electricity and water.

(iii) Interest on long-term loans.

(iv) Maintenance of assets.

(v) General expenditure.

(vi) Expected daily and monthly income. b) Capital requirement must provide for: -

(i) The anticipated cash flow requirements for each capital project.

## **7. INVESTMENT ETHICS AND PRINCIPLES**

7.1 The Municipal Manager will be responsible for the investment of

funds, and he / she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

7.2 Under no circumstances may he / she be forced or bribed into making an investment.

7.3 No member of staff may accept any gift unless that gift can be

deemed so small that it would not have an influence on his / her work or was not intended to do so, and can merely be seen as goodwill.

7.4 A certificate in respect of any gifts received should be furnished to the Municipality.

7.5 Interest rates offered should never be divulged to another institution.

7.6 Long-term investments should be made with an institution with at least a minimum F rating (where F refers to low risk institutions), however institutions without a credit rating should be considered in line with sec 217 subsection (1) a and b of the constitution.

7.7 Short-term investments should be made with an institution with at

least a minimum BBB+ rating (where BBB+ refers to higher risk institutions), however institutions without a credit rating should be considered in line with sec 217 subsection (1)a and b of the constitution.

7.8 The maximum amount invested with a financial institution should

not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).

7.9 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.

7.10 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.

7.11 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.

## **8. INVESTMENT PROCEDURES**

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

8.1 Short-term Investments:

a) Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.

b). 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.

### **8.1.2 INSTITUTIONS WHERE INVESTMENTS MAY BE MADE**

Standard Bank Investment Corporation Ltd.

Investec Limited

First National Bank Ltd.

Nedbank Ltd.

ABSA Bank Ltd.

Rand Merchant Bank Ltd.

8.2 Long-term investments:

a) Written quotations must be obtained for all investments made for periods longer than twelve months.

b) The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

c) The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

### 8.3 Withdrawals

All investment amounts withdrawn and not to be re-invested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being re-invested.

## 9. OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

## 10. CONTROL OVER INVESTMENTS

10.1 An investment register should be kept of all investments made.

The following information must be recorded: -

a) Name of institution;

b) capital invested;

c) date invested;

d) interest rate;

- e) maturation date;
- f) interest received;
- g) capital repaid; and
- h) balance invested

10.2 The investment register and accounting records must be reconciled on a monthly basis.

10.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

10.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

10.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

10.6 The following documents must be safeguarded: -

- a) Fixed deposit letter or investment certificate;
- b) Receipt confirmation for capital invested;
- c) Copy of electronic transfer or cheque requisition;
- d) Schedule of comparative investment figures;
- e) Commission certificate indicating no commission was paid on the investment; and
- f) Interest rate quoted.

## **11. CASH MANAGEMENT**

All money collected should be promptly deposited within 72 business hours in the municipality Primary Bank unless on exceptional circumstances which should be approved by the Manager Revenue or Chief Financial Officer. Satellite offices including 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 cash in transit problem as long as 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 the lifeblood and determines the going-concern status of a municipality. A healthy cash flow is crucial to ensure sustainable service delivery and infrastructure development and maintenance and preservation.

This is appropriately prescribed in terms of section 64 of the Municipal Finance Management ACT of 2003.

## **11.1 SECTION 64: REVENUE MANAGEMENT**

11.1.1 The Accounting Officer of the municipality is responsible for the management of the revenue of the municipality.

11.1.2. The Accounting Officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the Act into the municipality's primary bank account.

11.1.3. The Accounting Officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on regular basis.

11.1.4. The Accounting Officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a regular basis, and that such fund are not used for purposes of the municipality.

## **11.2 REVENUE AND CASH COLLECTION**

11.2.1. Every director shall be responsible for the collection of all moneys falling within the ambit and area of his or her designated functions and budget.

11.2.2. The Chief Financial Officer shall ensure that all revenues are properly accounted for.

11.2.3. The collection of all area revenues and the control of area accounts shall be co-ordinated by the Chief Financial Officer in terms of any policies determined by the Council.

11.2.4. The Municipality may allocate any credit/ payment to any accounts of the same debtor or department.

11.2.5. Any revenue that is not recovered or likely to be recovered after the necessary steps have been taken, the Chief Financial Officer shall report the matter adequately and timeously to the finance Committee and advice for adjustment purpose.

### **11.3 CASHIER COLLECTION**

11.3.1. The following negotiable instrument is accepted and will be construed as cash, credit cards, debit cards, direct deposits, and electronic funds transfers.

11.3.2. Every payment received by a cashier or other authorised officer charged with the receipt of money shall be acknowledged by the issuing a sequentially numbered official receipt of receipt book or computer-generated receipt.

11.3.3. All cashier banking batches and or shifts must be closed at least on a daily basis and be deposited promptly in the municipality primary bank account.

11.3.4. Receipt cancelled during collection should be attached on the end of shift form or be written with a detailed explanation thereof.

### **11.4 END OF SHIFT/DAY**

**11.4.1. A cashier must count the money he/she receipted, record the outcome on the cash-up sheet per category, then report to the senior responsible for the closing of the banking batches;**

11.4.2. No cashier may have access to the closing bank batch facility of the financial system. The senior verifies whether the amounts are correct and send the cashier back if necessary, otherwise closed the banking batch;

11.4.3. All shortages must be paid in by the cashier and all surpluses must be receipted in the vote number or segment open for this purpose.

11.4.4. The cashier supervisor in the presence of the cashier should deposit the money into the prescribed money bag, seal and lock it up in the safe;

11.4.5. All closed banking batches must be deposited and received by the bank within 72 hours unless holiday or weekends or as indicated above; and

### **11.5 AVAILABILITY OF RECEIPTING POINTS.**

11.5.1. Cash receipting points will be available in Polokwane civic centre, Mankweng, Seshego, Sebayeng municipal offices and other special services such as Traffic and licensing in Ladanna, Game reserve, Swimming pools, Library, Sports and facility management and all satellite offices;

Clients can also Pay at the approved 3rd Party services like the Top Supermarket.

11.5.2. The normal office hours for receipting all offices from Monday to Friday is 08h00 till 16h00.

11.5.3. The Municipality also makes use of third party payments for example; Easy pay and Pay-a-Bill. Unipay, SAPO. The bank facilities such as; speed points, EFT, debit orders, direct deposits.

11.5.4. Electronic transfers directly into the bank account are allowed provided that the client use his/her debtors account number as reference or booking number or reference granted by the municipality. A penalty may be levied for repeated incorrect or no reference.

11.5.5. Charges in respect of card payments and or any other payments method may be recovered from the customer in terms of the municipal policies or council resolution

## **12. CODE OF PRACTICE WITH REGARD TO CASH COLLECTION AND BANKING**

### **12.1 CASHIER SHORTAGES**

It is the cashier responsibility to take care of custody of cash until it is handed over to the supervisor. For this reason, shortages will be handled as hereunder:

12.1.1. A Stained/Dyed Note sported on sport or returned by the Bank will be paid by the Cashier.

12.1.2. Up to R100 must be paid in by the cashier, immediately before banking is done.

12.1.3. More than R100 up to R500, the cashier shortage account must be debited, and the total balance must be paid in end of the same month.

12.1.4. Two shortages of over R100 in one month, cashier must get a verbal warning, if it happens three times, written warning must be issued and valid for Three Months.

12.1.5. Shortages of over R500 up to R1000, written warning will be issued to the cashier and disciplinary actions may be taken against the cashier.

12.1.6. Shortage over R1000 disciplinary actions must be taken against the cashier. (First time offender will have an option of a final warning and repayment; second time offender will have option of final warning or dismissal)

## **12.2 SHORTAGES IN THE BANK**

12.2.1 Supervisors accept the money from the cashier for banking and takes responsibility for the money until banked. As results shortages reported by the bank will be accounted and paid for by the supervisor who prepared the banking. But where the Shortage is caused by a Stained/Dyed Note a Cashier should pay.

12.2.2 The above principle as per 12.1 on cashier shortages will be applicable in terms of payments and disciplinary actions to be considered.

12.2.3. All shortages identified by the bank, must be paid in by the supervisor, and all surpluses must be receipted in the vote number open for this purpose. Electronic shortages, like speed points not banked etcetera will be investigated for application of the recovery as recommended by the policy.

## **12.3 SUPRISE CHECKS**

The municipal management may conduct surprise checks without prior notice and take disciplinary actions on shortages as on 12.2 above

## **13. ADVANCE PAYMENT.**

13.1. Any amount that is paid in advance for the service that still has to be rendered will be kept in the suspense account / Unallocated vote until the time that such service is rendered.

13.2. In case where service will be rendered in the following financial year, applicant will be advised to pay deposit for booking and later pay required amount that will in line with tariff policy for the particular year.

13.3 Amount directly deposited or transferred into the municipality s bank account will attract penalty in line with the tariff schedule.

## **14. 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.

#### **15. 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 2 authorised officials responsible for cash management. A register of keys shall be kept by the supervisor, accountant or and assistant manager.

#### **16. SHORT TITLE**

This Policy shall be called the Investment and Cash Management Policy of the Polokwane Municipality.

#### **17. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.





**FINAL**

**POLOKWANE LOCAL MUNICIPALITY  
CLAIMS & LOSS CONTROL COMMITTEE POLICY  
2024/2025**

**POLOKWANE LOCAL MUNICIPALITY**

**CLAIMS & LOSS CONTROL COMMITTEE POLICY**

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## **POLOKWANE LOCAL MUNICIPALITY**

### **CLAIMS & LOSS CONTROL COMMITTEE POLICY**

**To provide for a written description of the Claims & Loss Control Committee (the “Committee”) procedures established for Polokwane Local Municipality. This document is an overview of the individual procedures which support the Claims & Loss Control Committee and contains guidelines for Good Practice for claims and loss management within Polokwane Municipality.**

**WHEREAS** the municipality does from time to time receive claims from the public relating to possible damages caused in incidents occurring in the service delivery activities of the municipality.

**AND WHEREAS** from time to time the municipality has to deal with losses occurring within the organisation pertaining to its employees, official equipment, vehicles and municipal property as a whole as well as private property of employees.

**AND WHEREAS** it is the purpose of the Claims & Loss Control Committee to evaluate and settle property loss/damage and/or liability claims in amounts less than the excess amount for which the Municipality is liable in terms of its insurance policy.

**NOW BE IT ENACTED** by the Council of the Polokwane Local Municipality, as follows:

-

## **CHAPTER 1**

### **COMMITTEE COMPOSITION**

#### **1.1 CUSTODIAN OF THE COMMITTEE**

- (a) The Committee shall fall under the custodianship of the Chief Financial Officer of the Municipality.
- (b) Members of the Committee shall be appointed, in writing, by the Municipal Manager or his/her authorised representative.
- (c) The office of the CFO shall appoint a secretary for the Committee, the duty of whom it shall be to distribute Agendas for meetings of the Committee as well as record and minute meetings of the Committee.
- (d) This Policy as well as the appointment of members of the Committee shall be reviewed annually by the Municipal Manager or his/her authorised representative.
- (e) The CFO may delegate any of his/her duties under this policy to a senior official within the Financial Services SBU.

#### **1.2 MEMBERS AND REPRESENTATION**

- (a) The Committee membership shall comprise of the following standard members:

-

Chairperson                      Deputy CFO/CFO and Manager Assets  
Finance Officials      Manager Asset Accountant Insurance  
or any delegated      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.

### **IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**FINAL**  
**CONSUMER**  
**DEPOSIT POLICY**

**2024/2025**

# **POLOKWANE LOCAL MUNICIPALITY**

## **CONSUMER DEPOSIT POLICY**

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**POLOKWANE LOCAL MUNICIPALITY**  
**CONSUMER DEPOSIT POLICY 2024/2025**

**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.

## 1. 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.

## **2. OBJECTIVES OF THIS POLCIY**

2.1 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.

## **3. LEGISLATIVE FRAMEWORK**

3.1 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.

## **4. DEPOSIT OUTLINED**

4.1 The deposit payable by a customer on application for municipal services shall be in the form of a cash deposit, Electronic Transfers, credit, and debit cards.

4.2 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 or bank guaranteed cheque.

4.3 Deposits are payable on opening of accounts and will be held until the account is closed, subject to the provisions of this Policy.

- 4.4 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. DEPOSIT AMOUNTS**

- 5.1 The minimum deposit amount payable, will be as per the approved Tariffs. And may be reviewed annually to be equal to twice the average monthly consumption.
- 5.2 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.
- 5.3 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.
- 5.4 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.

The Municipality may classify customers in terms of their credit risk profile into three groups:-

- (a) Good Customers – Customers with a good credit record and who do not pose any credit risk to the Municipality;
  - (b) Moderate Customers – Customers with a moderate credit record and who may pose a credit risk to the Municipality, and
  - (c) Bad Customers – Customers with a bad credit record who pose a significant credit risk to the Municipality.
- 5.5 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.
- 5.6 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.
- 5.7 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.



5.8 The security deposit amounts may vary according to the credit rating of the customer as assessed by the municipality.

5.9 Apart from the grouping contained in sub-clause 5.5 the Municipality will categorise the customer type and minimum amount payable per type as contained in the Municipal Tariff Schedule

## **6. REVISION OF DEPOSITS & ADDITIONAL DEPOSITS:**

6.1 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.

6.2 The increase of consumer deposits in sub-clause 6.1 may be effected based on the following grounds: -

- (a) Where a consumer's account is regularly in arrears or paid after due date.
- (b) Where a consumer's account is regularly in arrears and the average account balance is more than the original deposit amount.
- (c) Where a consumer's service supply is restricted or disconnected.
- (d) When a debtor applies for extension of time to settle an account.
- (e) When payments by direct/negotiable instrument is dishonored.
- (f) When the debtor poses a payment risk in the discretion of the municipality.
- (g) When there is an increase in consumption of services.

6.3 The municipality may increase the deposit amount based on twice the average consumption of any two consecutive month's actual verifiable consumption within the previous 12 month, regardless of 6.1 Above. First refer to the Billing Policy. Align the two.

6.4 i.) Every consumer of water and/or electricity shall, on application and before such supply is given, deposit with the Municipality a sum of money based on a calculation made by the Chief Financial Officer, of the cost of the maximum consumption of water and/or electricity which the applicant is likely to consume within a period of any 2 (two) consecutive months, further provided that such deposit shall not be less than the prescribed tariff.

- ii.) The first R5 000 (five thousand rand) payable towards a consumer deposit shall be paid in cash to the Municipality. In the event of a balance payable remaining in terms of such a deposit, the Municipality may, in its sole discretion, accept a bank guarantee in the form prescribed by the Municipality, as surety for payment of any future amount that may become due by the applicant in respect of water and/or electricity consumption.

- 6.3 Apart from the provisions contained in clause 6, consumer deposits shall be revised annually on approval of the municipal budget.

## **7. ALLOCATION OF PAYMENTS**

- 7.1 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.

- 7.2 This sequence of allocation shall be followed notwithstanding any instruction to the contrary given by the accountholder.

## **8. APPROPRIATION OF DEPOSITS**

- 8.1 On termination of the service agreement, the deposit shall be appropriated to the account and;

- 8.2 Any credit due may be refunded to the customer provided that any other debt is paid in full.

- 8.3 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.

- 8.4 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.

- 8.5 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.

- 8.6 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.
- 8.7 An agreement for the provision of water and electricity services may contain a condition that a deposit will be forfeited to Council if it has not been claimed within twelve months of the date of termination of the agreement.

## **9. UNCLAIMED DEPOSIT /CREDIT**

- 9.1 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.
- 9.2 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.
- 9.3 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.
- 9.4 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.
- 9.5 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.
- 9.6 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.

9.7 All the accounts linked to the stand must be paid in full or have approved arrangement before any consumer can be connected.

9.8 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.

## **10. 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.

## **11. INTEREST**

The municipality will not pay any interest on deposits and or credits on accounts. 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.

## **12. 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.

## **13. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**FINAL  
COST CONTAINMENT POLICY**

**2024/2025**

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## **1. DEFINITIONS**

“**Act**” means the Local Government: Municipal Finance Management Act, 2003(Act No.56 of 2003)

“**consultant**” means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

“**cost containment**” the measures implemented to curtail spending in terms of this policy.

“credit card” means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

“municipality” Polokwane Local Municipality

## **2. PURPOSE**

The purpose of the policy is to regulate spending and to implement cost containment measures at Polokwane Local Municipality.

## **3. OBJECTIVES OF THE POLICY**

The objectives of this policy are to:

3.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;

3.2 To implement cost containment measures.

## **4. SCOPE OF THE POLICY**

This policy will apply to all:

4.1 Councillors'; and

4.2 Municipal employees.

## **5. LEGISLATIVE FRAMEWORK**

This policy must be read in conjunction with the -

5.1 The Municipal Finance Management Act, Circular 97, published on 7 December 2016;

5.2 Municipal Cost Containment Regulations, 7 June 2019; and

5.3 Travel and subsistence policy.

## **6. POLICY PRINCIPLES**

6.1 This policy will apply to the procurement of the following goods and/or services:

(i) Use of consultants

(ii) Vehicles used for political office-bearers

(iii) Travel and subsistence

- (iv) Domestic accommodation
- (v) Credit cards
- (vi) Sponsorships, events and catering
- (vii) Communication
- (viii) Conferences, meetings and study tours
- (ix) Any other related expenditure items

## **7. USE OF CONSULTANTS**

- 7.1 Consultants may only be appointed after an assessment of the needs and requirements have been conducted to support the requirement of the use of consultants.
- 7.2 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.
- 7.3 When consultants are appointed the following should be included in the Service Level Agreements:
  - (i) Consultants should be appointed on a time and cost basis that has specific start and end dates;
  - (ii) Consultants should be appointed on an output-specific, specifying deliverables and the associated remuneration;
  - (iii) Ensure that cost ceilings are included to specify the contract price as well travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence; and
  - (iv) ensure the transfer of skills by consultants to the relevant officials
  - (v) All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy.
- 7.4 Consultancy reduction plans should be developed.
- 7.5 All contracts with consultants must include a retention fee or a penalty clause for poor performance.
- 7.6 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

## **8. VEHICLES USED FOR POLITICAL OFFICE-BEARERS**

- 8.1 The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed seven hundred thousand rand (R700 000) or 70% of the total annual remuneration package for the different grades, whichever is lower.
- 8.2 The procurement of vehicles must be undertaken using the national government transversal mechanism, unless it may be procured at a lower cost through other procurement mechanisms.
- 8.3 Before deciding to procure a vehicle, the Accounting Officer must provide the council with information relating to the following criteria that must be considered:
  - (i) Status of current vehicles
  - (ii) Affordability
  - (iii) Extent of service delivery backlogs
  - (iv) Terrain for effective usage of vehicle
  - (v) Any other policy of council
- 8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.



8.6 Notwithstanding 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometres only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

## **9. TRAVEL & SUBSISTENCE**

9.1 An accounting officer:

(i) May only approve the purchase of economy class tickets for officials where the flying time for a flight is five (5) hours or less; and less; and

(ii) For flights that exceed five (5) hours of flying time, may purchase business class tickets *only* for accounting officers, and persons reporting directly to accounting officers.

9.2 Notwithstanding 9.1, an accounting officer may approve the purchase business class tickets for officials with disabilities.

9.3 International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.

9.4 Officials of the municipality must:

(i) Utilize the municipal fleet, where viable, before incurring costs to hire vehicles;

(ii) Make use of a shuttle service if the cost of such a service provider is lower than:

- the cost of hiring a vehicle;
- the cost of kilometres claimable by the employee; and
- the cost of parking.

(iii) not hire vehicles from a category higher than Group B; and

(iv) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

### Circular 97

9.5 The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available.

## **10. DOMESTIC ACCOMMODATION**

10.1 An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time, and the travel and subsistence policy of the municipality.

## **11. CREDIT CARDS**

11.1 An accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office-bearer.

11.2 Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials and public office bearers must use their personal

credit cards or cash, and will request reimbursement from the municipality in terms of the travel and subsistence policy and petty cash policy.

;

## **12. SPONSORSHIPS, EVENTS & CATERING**

12.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.

12.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:

- (i) Hosting of meetings;
- (ii) Conferences;
- (iii) Workshops;
- (iv) Courses;
- (v) Forums;
- (vi) Recruitment interviews; and
- (vii) Council proceedings

12.3 Entertainment allowances of officials may not exceed two thousand rand (R2000,00) per person per financial year, unless otherwise approved by the accounting officer.

12.4 Expenses may not be incurred on alcoholic beverages.

12.5 Social functions, team building exercises, year-end functions, sporting events, budget speech dinners and other functions that have a social element must not be financed from the municipal budget or by any supplier or sponsor such as but not limited to:

- staff year-end functions
- staff wellness functions
- attendance of sporting events by municipal officials

12.6 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials.

12.7 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten (10) or more years, or retire on grounds of ill health, the expenditure should not exceed the limits of the petty cash usage as per the petty cash policy of the municipality.

## **13. COMMUNICATION**

13.1 All municipal related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers.

13.2 Publications such as internal newsletters must be designed internally and be published quarterly in an electronic media format and on the municipal website/intranet.

13.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders.

13.4 The acquisition of mobile communication services must be done by using the transversal term contracts that have been arranged by the National Treasury.

13.5 Allowances for officials for private calls is limited to R50,00 per official.

13.6 Provision of diaries be limited to secretaries and electronic diaries be kept by directorates.

#### **14. CONFERENCES, MEETINGS & STUDY TOURS**

14.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.

14.2 The benchmark costs may not exceed an amount determined by National Treasury.

14.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

- (i) The official's role and responsibilities and the anticipated benefits of the conference or event;
- (ii) Whether the conference or event will address the relevant concerns of the Municipality;
- (iii) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
- (iv) Availability of funds to meet expenses related to the conference or event.

14.4 The amount referred to in 14.2 above excludes costs related to travel, accommodation and related expenses, but includes:

- (i) Conference or event registration expenses; and
- (ii) Any other expense incurred in relation to the conference or event.

14.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.

14.6 Attendance of conferences will be limited to one (1) per annum with a maximum of two (2) delegates.

14.7 Meetings and planning sessions that entail the use of municipal funds must, as far as practically possible, be held in-house.

14.8 Municipal offices and facilities must be utilized for conferences, meetings and strategic planning sessions where an appropriate venue exists within the municipal jurisdiction.

14.9 The municipality must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

#### **15. OTHER RELATED EXPENDITURE ITEMS**

15.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.

15.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.

## **16. ENFORCEMENT PROCEDURES**

16.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct as set out in Chapter 15 of the MFMA.

## **17. DISCLOSURES OF COST CONTAINMENT MEASURES**

17.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

17.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

17.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

## **18. IMPLEMENTATION & REVIEW PROCESS**

18.1 This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

## **19. CONSEQUENCES FOR NON-ADHERENCE TO THE COST CONTAINMENT MEASURES**

19.1 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality.

19.2 The accounting officer must investigate the allegations and if frivolous, speculative or unfounded, terminate the investigations.

19.3 If the accounting officer determines the allegations are founded, a full investigation must be conducted by the disciplinary board.

19.4 After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:

- Findings and recommendations; and/or
- Whether disciplinary steps should be taken against the alleged transgressor.

19.5 The accounting officer must table the report with recommendations to the municipal council.

19.6 Subject to the outcome of the council decision the accounting officer must implement the recommendations.

## **20. SHORT TITLE**

20.1 This policy shall be called the Cost Containment Policy of Polokwane Local Municipality.

## **21. DATE OF IMPLEMENTATION**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**FINAL  
CREDIT CONTROL AND DEBT  
COLLECTION  
POLICY**

**2024/2025**

## **P R E A M B L E**

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control and debt collection policy;

And whereas section 97 of the Systems Act prescribes what such policy must provide for;

And whereas the Municipal Council of the Municipality of Polokwane has adopted by-laws in line with section 98 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) to give effect to this policy.

Now therefore the Municipal Council of the Municipality of Polokwane adopts the Credit Control and Debt Collection Policy as set out in this document: -

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: -

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## 1. DEFINITIONS

<b>Act</b>	The Local Government Act: Municipal Systems Act 2000 (Act No. 32 of 2000) as amended from time to time.
<b>Authorised Representative</b>	The person or entity legally appointed by the Council to act or to fulfil a duty on its behalf.
<b>Arrears</b>	Amount outstanding after due date, payable in respect of fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties.
<b>Agreement</b>	Means the contractual relationship between the municipality and a consumer whether in writing or not.
<b>Account/ Municipal account</b>	<p>Account in name of customer held with the Polokwane Municipality.</p> <p>(a) The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of account, specifying charges levied by the Municipality, in the format of, but not limited to:- Show the levies for property rates and services</p> <p>(b) Monthly accounts rendered indicating the levies for property rates and/ or building clause, availability charge, sewage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as monthly instalments for annual services paid monthly.</p>
<b>Basic service</b>	The amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.

<b>Chief Financial Officer</b>	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 respect of such a delegated power, function or duty.
<b>Child-headed household</b>	A household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children and household income of below the indigent threshold.
<b>Council or Municipal Council</b>	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
<b>Credit Control</b>	The functions relating to and aimed at the collection of any monies due and payable to the Municipality.
<b>Debt Collection</b>	The function relating to and aimed at the collection of any monies due and payable to the Municipality after due date has passed or not paid on due date.
<b>Closely connected Person</b>	Any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner, siblings (brother or sister from same parents) and in laws,
<b>Customer</b>	Any occupier or consumer of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent households).
<b>Due date</b>	Means the date on which the amount payable in respect of an account becomes due, normally the 25 <sup>th</sup> unless the 25 <sup>th</sup> is on weekend, owing and payable by the customer, which date shall be determined by council from time to time.
<b>Defaulter</b>	A person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired

<b>Director</b>	The person in charge of the civil and / or electrical component(s) of the Municipality and includes any person:- a) Acting in such position; and b) To whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>Equipment</b>	A building, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
<b>Household</b>	all persons who are jointly living on a stand or site on a permanent basis and who receives electricity and / or water from one meter, regardless whether the person rents or owns the property.
<b>Indigent and Pensioners</b>	A household which is not financially capable of paying for the delivery of basic services and meeting the criteria determined by Council from time to time – this also includes poor households and pensioners as per the Municipality's Indigent Policy.
<b>Interest</b>	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies or any other sundry services or surcharge at a standard rate as draft by Council from time to time.
<b>Municipality</b>	Means Polokwane Municipality established in terms of the Local Government Structures Act, 1998 as amended from time to time.
<b>Municipal Manager</b>	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended from time to time and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time and includes any person:- a) Acting in such position; and b) To whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>Municipal Services</b>	Those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.

<b>Occupier</b>	Any person who occupies any property or part thereof, without any regard to the title whether or not that person has the right to occupy the property.
<b>Premises or Property</b>	Any portion of land, the external surface boundaries of which are delineated on:- a) A general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No. 9 of 1927) as amended from time to time or in terms of the Deeds Registry Act, 1937 (Act No. 47 of 1937); as amended from time to time or b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986); as amended from time to time which is situated within the area of jurisdiction of the Municipality.
<b>Owner</b>	a) The person in whom the legal title to the property is vested; b) A person mentioned below may for the purposes of this Policy be regarded by a municipality as the owner of a property in the following cases: i. A trustee, in the case of a property in a trust excluding state trust land; ii. An executor or administrator, in the case of a property in a deceased estate; iii. A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation iv. A judicial manager, in the case of a property in the estate of a person under judicial management; v. a curator, in the case of a property in the estate of a person under curatorship; vi. A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; vii. A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or 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.

## **2. GENERAL OBJECTIVES:**

The objectives of this policy are to:-

2.1 Provide a framework within which the municipality can exercise its executive and legislative authority with regard to credit control and debt collection.

2.2 Ensure that all monies due and payable to the municipality are collected and in a financially sustainable manner;

2.3 Provide a framework for customer care and indigent support;

2.4 Describe credit control measures and sequence of events;

2.5 Outline debt collection and credit control procedures and mechanisms; and

2.6 Set realistic targets for credit control and debt collection.

2.7 Provide for actions that may be taken by the Municipality to secure payment of accounts that are in arrears including and not limited to the termination or restriction of services and legal actions

2.8 Provide for alternative debt repayment arrangements in accordance with the terms and conditions of this policy

2.9 Create an environment which enables a customer to repay the outstanding debt and establish culture of payment for services rendered by the Municipality.

2.10 Effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy

2.11 Provide for procedures and mechanisms to ensure that all monies due and payable to the Municipality are collected.

## **3. PRINCIPLES:**

The credit control and debt collection policy is based on the following principles –

### **3.1 GENERAL**

(i) The administrative integrity of the Municipality must be maintained at all costs.

(ii) The democratically elected councillors are responsible for making the policies, while it is the responsibility of the Municipal Manager to ensure execution of these policies.

(iii) The policy and its application provides for the specific circumstances of the community to which it relates.

(iv) The credit control and debt collection procedures must be understandable, uniform, fair and consistently applied.

(v) Credit control must be effective, efficient and economical.

(vi) The measures taken must be sustainable in the long term.

### **3.2 COUNCIL**

(i) To enable the Council to differentiate between those customers that cannot pay from those that simply do not want to pay, the “Indigent Policy” will be applied.

(ii) The Credit Control and Debt Collection Policy may be supported by procedure manual(s) and/or Revenue Enhancement strategies that may be put in place by the Chief Financial Officer and Revenue Manager.

(iii) The Credit Control and Debt Collection Policy shall supersede all other policies aimed at achieving the same purpose to which the current credit control policy seeks to achieve.

### **3.3 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.

### **3.4 COUNCILOR SERVICES ACCOUNTS**

In accordance with the provisions of Schedule 1, of the Municipal Systems Act, 32 of 2000, an elected councillor residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the Municipal Manager may deduct amounts due for more than 3 (three) months from such councillor's remuneration.

### **3.5 STAFF/ OFFICIALS SERVICES ACCOUNTS**

In accordance with the provisions of Schedule 2, of the Municipal Systems Act, 32 of 2000, an official of council, residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the City Manager may deduct amounts due for more than 3 (three) months from such official's remuneration.

## **4. PERFORMANCE EVALUATION**

This is addressed in the SDBIP and the Municipal Performance Management System.

## **5. REPORTING**

5.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Mayor as supervisory authority in terms of the Systems Act. This report shall contain particulars on:-

- a. Cash collection statistics, showing high-level debt recovery information (number of consumers; enquiries; arrangements; default arrangements; growth or reduction of arrear debt).
- b. Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, government, institutional and other such divisions.
- c. Performance of all areas against targets agreed to in section 4 of this policy document.

5.2 If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as draft by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who may immediately move for a revision of the budget according to realistically realizable income levels.

5.3 The Mayor as Supervisory Authority shall report quarterly to Council as contemplated in section 99(c) of the Systems Act.

## **6. CUSTOMER CARE AND MANAGEMENT**

The municipality customer care shall be in line with the customer care policy of the municipality.

## **7. ACCOUNTS ADMINISTRATION**

### **7.1 ACCOUNTS AND BILLING**

7.1.1 The municipality will render monthly accounts in line with the billing policy

7.1.2 Failure by the Council to render an account does not relieve a customer of the obligation to pay any amount that is due and payable in terms of these By-laws.

7.1.3 The customer is entitled to accurate, timeous and understandable bill as far as possible.

7.1.4 The Council may, in accordance with the provisions of section 102 of the Act –

- a) Consolidate any separate accounts of a customer liable for payments in terms of these Policy to the Council;
- b) Credit any payment by such customer against any account of that customer; and

c) Implement any of the debt collection and credit control measures provided for in these By-laws in relation to any arrears on any of the accounts of a customer.

7.1.5 The amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will, be allocated in reduction of the consolidated debt in the order prescribed by the Municipality.

(a) Any amount paid by a customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and fees for municipal services. (b) No interest is payable on any amount contemplated in paragraph (a)

## **7.2 ACCOUNT QUERIES**

(a) Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the Council;

(b) Query can be raised verbally or in writing at any of the Council's administrative offices

(c) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is queried;

(d) 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 policy;

(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.

## **7.3 DISPUTES**

(a) A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

(b) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is disputed

(c) Only disputes lodged by registered account holder will be considered.

(d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.

(e) Should any written dispute arise as to the amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average charges for the preceding three months prior to the arising of the dispute, plus interest, until the resolution of that dispute.

(f) Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that dispute.

## **8. INTEREST CHARGES**

Interest will be levied on all accounts not paid by due date at a rate prescribed by council from time to time and in accordance with Section 97 (e) of Municipal Systems Act, 32 of 2000.

8.1 No interest shall be earned on a credit balances

8.2 Interest may only be reversed under the following circumstances—

- a) Exemptions as determined by Council from time to time
- b) If the Municipality has made an administrative error on the account
- c) Where any debt accrued as a result of incorrect charge or any administrative error
- d) Where Council or any other authorised committee or delegated official approves such reversal from time to time;

## **9. ACCOUNT DUE DATE & ALLOCATION OF PAYMENT**

a) Account due date shall be the 25<sup>th</sup> day of the month or the following business day

Interest shall accrue after 30 days from date of account on unpaid accounts. The interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account, a part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account been in arrears.

b) Only payments receipted through the Municipal financial system on or before account due date will be deemed to have been duly received.

c) Payments by customers through 3rd party vendors, will only be deemed to have been received when receipted through the Municipal financial system. Customers making use of this payment measure needs to pay at least three days before the due date .

d) Any amount paid by the Customer in excess of an existing debt may be held in credit for the Customer in expectancy of future rates and fees for Municipal services charges, and no interest will be payable on that amount.

## **10. CREDIT CONTROL**

### **10.1 OBJECTIVE**

10.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising 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

10.1.2 To limit risk levels by means of effective management tools.

10.1.3 To provide for restrictions, limitations, termination of services for non-payment.

### **10.2 SERVICE APPLICATION, AGREEMENTS, CUSTOMER SCREENING AND SECURITIES**

10.2.1 All consumers (owners) of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort and is responsible for payment unless where the Municipality is the owner of the property.

10.2.2 Applicants for Municipal services may be checked for credit worthiness, which may include checking information from banks, credit bureaus, other local authorities, trade creditors and employers.

10.2.3 The consumer applying for services must bring proof of ownership or consent from the owner, proof of residential address and physical address

10.2.4 Where the applicant is a legal entity, being a company, closed corporation, trust, etc.

a) Sureties must also be signed by the directors, members, trustees, etc.

b) Must supply details of their director, members, partners or trustees and at least the main shareholder must in his/her personal capacity guarantee the payment of the applicant's Municipal account and in case of a trust, all the trustees in their personal capacity.

10.2.5 On the signing of the agreements, customers will be entitled to access the policy document, which are available on [www.polokwane.gov.za](http://www.polokwane.gov.za) or on request at any Municipal office service centre at a fee prescribed by the council from time to time.

10.2.6 On the signing of the agreement, consumers will receive a copy of the agreement for their records.

10.2.7 The Municipality reserves the right to 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 Policy and arrangements may be granted on exceptional cases.

10.2.8 The Municipality reserves the right to decline the application for services if any of the tenants or previous tenants or owner is in arrears or of a person who is closely connected to a customer who has defaulted with account payments and who resides or is to reside on the same premises, until such debt is settled in full or accepted arrangement has been made. The Municipality may also reject the application for services of any concern that is not a natural person should such concern be in arrears with any other municipal account for which it, or any member or director is responsible or partially responsible.

10.2.9 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer.

10.2.10 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.

### **10.3 RESPONSIBILITY FOR AMOUNTS DUE**

10.3.1. In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property. Accordingly —

a) The owner of such property shall be liable for charges incurred in connection with such property and all municipal debts must be paid by the owner of such property without prejudice to any claim or right of recovery which the Municipality may have against another person;

b) The Municipality reserves the right to cancel a contract with the Customer in default and register the owner of such property for services on the property; and

c) Subject to the right to a basic water supply as contemplated in the Water Services Act, 1997 (Act No. 108 of 1997), as amended, the Municipality will not provide any services on the property until all municipal debts on the property have been paid in full or suitable arrangements have been made to pay such debts. The Municipality reserves the right to determine the manner in which access to a basic water supply will be provided.

10.3.2 Where the property is owned by more than one person, each owner shall be jointly and severally liable, the one paying the other to be absolved, for all municipal debts charged on the property.

10.3.3 Owners with their tenants who are registered as Customers shall be held jointly and severally liable, the one paying the other to be absolved, for debts on their property, except for property rates.

10.3.4 When a Juristic person opens a Service Account, the directors, members or trustees as the case may be must sign personal suretyships in favour of the Municipality. Liability for outstanding amounts maybe extended to such directors, members or trustees jointly and severally, the one paying the other to be absolved.

10.3.5 The Municipality may —

In a case of an Owner who is in arrears recover from the tenant or agent in terms of Section 28 and 29 of the Municipal Property Rates Act, 6 of 2004 as amended;

10.3.6 Should the tenant, occupier or agent as contemplated in subsection 10.3.5 refuse to pay the Municipality, the services of the tenant, occupier or agent may be disconnected.

10.3.7 Should any 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.

#### **10.4 RIGHT OF ACCESS TO PREMISES**

10.4.1 The owner and or occupier of property must allow an authorized representative of the municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any municipal service as stipulated in Section 101 of Municipal Systems Act, 32 of 2000.

10.4.2 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

10.4.3 If a person fail to comply, the municipality or its authorised representative may:-

a) By written notice require such person to restore access at his/her own expense within a specified period.

b) Without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.



## **10.5 ENFORCEMENT MECHANISM**

10.5.1 The Municipality will issue a credible statement of account reflecting all services charge, units of water & electricity consumed (where applicable), due date and monies payable. Where the Municipality fails to render the account, subsection 7.1.2 of this policy shall apply.

10.5.2 The Municipality may deliver notices electronically or by any means available to it or in accordance with section 115 of the Municipal Systems Act and section 3 of PAJA.

10.5.3 Subject to the provisions of section 95(e) of the Systems Act, a failure to receive or accept accounts does not relieve a Customer of the obligation to pay any amount due and payable. The onus is on the Customer to make every effort to obtain a copy of the account, or establish the amount payable for payment.

10.5.4 The Municipality may print a message on a statement of account to remind customers to pay before or on due date to avoid interest charges and other credit control measures.

10.5.5 The Municipality may remind the customer to pay the account before or on due date by using and not limited to SMS, MMS, 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.

10.5.7 In the event of queries and disputes section 7.2 and 7.3 of this policy shall apply.

10.5.8 The customer may apply/ request payment extension in writing before the due date stating reasons for such request and proposed date for payment.

10.5.9 The Municipality shall have the right to discontinue or restrict the supply of services due to late or non-payment of accounts relating to any consumer and or owner of property.

10.5.10 All debtors who are in arrears for more than 60 days may have their water and electricity meters converted to prepaid at municipality 's sole discretion.

## **10.6 PRE-PAYMENT METERING SYSTEM**

The Municipality will use its pre-payment metering system to:-

a) Link the provision of electricity by the Municipality to a "pre-payment" system comprising, pre-payment of electricity units; and

b) A payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.

c) To load an auxiliary on the “pre-payment” system in order to allocate a portion of the rendered amount to the customers arrear account for other services.

d) To enforce satisfactory arrangements with consumers in arrears by blocking access to pre-payment meters.

e) 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customers who purchases prepaid electricity with other services in arrears.

## **11. DEBT COLLECTION**

### **11.1 OBJECTIVE**

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

11.1.2 THE PRINCIPLE: The money owed to the Municipality for more than 30 days after due date would be classified as debt to be collected following the procedures as outlined in this section of the policy.

### **11.2 ACTIONS TO SECURE PAYMENTS INCLUDING TERMINATION OF SERVICES AND SERVICE AGREEMENTS**

11.2.1 The Municipality and/or Service provider may take the following actions to secure payments of arrears in respect to Municipal services.

11.2.1 At least fourteen (14) days’ notice is required from the Customer upon termination of an account, to enable the Municipality to take final meter readings and process account adjustments.

11.2.1 The Municipality or service provider may contact the customer telephonically and/or physically.

(a) Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigence subsidies,

other related matters and will provide information on how and where to access such arrangements or subsidies.

(b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue in the absence of such contact for whatever reason.

11.2.1 Council reserves the right to deny or restrict the sale of electricity or water to consumer and or the owners who are in arrears with their rates and or other service charge.

11.2.2 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customer who purchases prepaid electricity with other services in arrears. Or allow the customer to purchase 40% of the amount paid.

11.2.3 If a person is indigent a pre-paid electricity meter or water meter may be installed free of charge.

11.2.5 Once the tenant's consumption account in arrears is terminated, the account may thereafter be linked to the owner's rates account.

11.2.6 The Municipality may exercise its common-law right where a tenant on a property is in breach of his or her contract with the Municipality, and link the debt to the owners' account. The tenant shall forfeit his or her deposit to the owner where the outstanding debt is paid by the owner.

11.2.7 The Municipality may terminate a service agreement, or any other arrangement with the municipality having given a written notice of not less than 14 days to the Customer, if the Customer concerned has breached or failed to comply with any specific term or condition of the service agreement.

### **11.3 THE POWER TO RESTRICT OR DISCONTINUE SUPPLY OF MUNICIPAL SERVICES**

11.3.1 The Council or duly appointed agent may terminate and / or restrict the supply of water, electricity or in the case of pre-paid electricity withhold the selling of electricity in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service –

11.3.2 after the expiry of the period for payment in terms of the final demand/final notice referred to in section 11.2.1.1, fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this policy;

11.3.3 No proof of registration as an indigent was furnished within the period provided for in the final demand / final notice referred to in section 11.2.1.1;

11.3.4 No payment was received in accordance with an agreement for payment of arrears;

11.3.5 fails to comply with a condition of supply imposed by the council;

11.3.6 obstructs the efficient supply of electricity, water, or any other municipal services to another customer;

11.3.7 Supplies such municipal service to a consumer/owner who is not entitled thereto or permits such service to continue;

11.3.8 causes a situation, which in the opinion of the council is dangerous, or a contravention of relevant legislation;

11.3.9 in any way bridges the supply or illegally reconnect previously disconnected municipal services;

b) The Council shall hand deliver, per mail or per electronic means available, to the physical address of property or most recent recorded address or electronic contact address and / or number of such customer, a discontinuation notice informing such consumer –

(i) That the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice;

(ii) Of the steps which can be taken to have the service reconnected;

(iii) Of the minimum amount payable to restore service.

c) The right of the Council or any duly appointed agent to restrict or discontinue water and electricity to any premises, owner of property, tenant on property, customer or occupant of property, shall be subject to the relevant legislature.

d) The Council reserves the right to deny or restrict or reduce the sale of electricity or water to properties which are in arrears with their rates or other municipal charges.

## **11.4 RECONNECTION OF SERVICES**

11.4.1 Upon paying the full amount owed or the conclusion of acceptable arrangements as prescribed in section 11.6 of this policy the service will be reconnected and soon as conveniently possible.

## **11.5 DEBT FOR WHICH AN ARRANGEMENTS CAN BE DONE**

Arrangements for the payment of outstanding debt can be made according to the procedures described hereunder.

## **11.6 CONCLUSION OF AGREEMENT**

11.6.1 If a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment not exceeding 12 months, stipulating that the debt will be paid together with the monthly and/or annual accounts, with the customer upon paying at least the required percentage as determined by Council from time to time.

## **11.7 DEBT COLLECTION PROCEDURE**

11.7.1 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.

11.7.2 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.

11.7.3 Annual accounts: Should accounts remain unsettled three (3) months after it became due and payable, notice will be given to the owner/consumer that the amount owed should be settled within fourteen (14) days, failure of which it would be handed over for collection.

11.7.4 Should there be no reaction on the notices; accounts are forthwith handed over for collection, which may include legal proceedings.

11.7.5 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.

11.7.6 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.

## **11.8 INDIGENT**

11.8.1 Customers who qualify as indigent households will be assisted in terms of the indigent policy.

## **11.9 THEFT AND FRAUD**

11.9.1 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.

11.9.2 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.

11.9.3 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.

11.9.3 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.

11.9.4 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

11.9.4 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.

## **11.10 INCENTIVES**

Incentives may be used in collection procedures as approved by council.

## **11.11 LEGAL PROCESS (USE OF ATTORNEYS/USE OF CREDIT BUREAUS)**

11.11.1 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.

11.11.2 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 they attorneys or any other collection agents appointed by Council.

11.11.3 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.

11.11.4 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

11.11.5 All costs of this process will be for the account of the debtor.

11.11.6 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.

11.11.7 The Municipality may consider the cost effectiveness of the legal process and will receive reports on relevant matters and report to the Executive Mayor.

11.11.8 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.

11.11.10 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.

11.11.11 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.

11.11.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent.

The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.

#### **11.12 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.

#### **11.13 CLEARANCE CERTIFICATE**

11.13.1 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,

11.13.2 The municipality will require an estimation of up to four months before issuing clearance figures.

11.13.3 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller unless advised otherwise.



11.13.3 Clearance figures for all accounts handed over to debt collectors may make provision for Collection costs at the draft commission percentage.

11.13.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

11.13.5 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.

11.13.6 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,

11.13.7 On application for clearance any arrangements, acknowledgement of debt shall be cancelled, and all debts on the property shall become due, and payable.

11.13.8 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.

11.13.9 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, policy or agreement relating to the property in question;

11.13.10 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.

11.13.11 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.

11.13.12 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.

#### **11.14 BUSINESS RESCUE**

11.14.1 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.

#### **11.15 DECEASED ESTATES**

11.15.1. The Executor or representative of a Deceased Estate shall be liable for payment of all debts on the property.

11.15.2. The purposes of liability for an account, including a consolidated accounts, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor representative has been appointed, will be regarded as the Deemed Owner. The municipality may request a deemed owner to sign a services agreement. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

11.15.3. "Deemed Ownership" does not confer any rights on an occupier other than the liability to pay the accounts.

11.15.4. Failure by the executor to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor or representative has been appointed.

11.15.5 Where a deceased estate is insolvent (liabilities exceed all assets) and a property is sold by the executor pursuant to section 34 of the Administration of Deceased Estates Act, 1965 (Act 66 of 1965), the Municipality enjoys 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.

### **11.16 IRRECOVERABLE DEBT**

11.16.1 Debt will only be considered as irrecoverable if it complies with the following criteria:

-

(a) All reasonable notifications and cost-effective legal avenues have been exhausted to recover a specific outstanding amount; or

(b) any amount equal to or less than R1 000.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

(c) The cost to recover the debt does not warrant the further action; or

(d) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

1. There is a danger of a contribution; or

2. No dividend will accrue to creditors; or

(e) A deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

Where the estate has not been reported to the Master and there are no assets of value to attach; or

(f) It has been proven that the debt has prescribed; or

(g) The debtor is untraceable or cannot be identified so as to proceed with further action; or

(i) The debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or

(h) it is not possible to prove the debt outstanding; or

(i) a court has ruled that the claim is not recoverable; or

(j) The outstanding amount is due to an irreconcilable administrative error by the Municipality as approved by Council.

## **11.17 ABANDONMENT OF CLAIMS**

11.17.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.

11.17.2 There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as:-

- a) The insolvency of the debtor, whose estate has insufficient funds.
- b) A balance being too small to recover, for economic reasons considering the cost of recovery.
- c) Where Council deems that a debtor or group of debtors are unable to pay for services rendered.

11.17.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

## **11.18 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.

## **12. SHORT TITLE**

This policy will be called Credit control and debt collection policy of Polokwane municipality.

## **13. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**FINAL**  
**INTERGRATED CUSTOMER CARE**  
**POLICY**

**2024/2025**

**POLOKWANE LOCAL MUNICIPALITY**

**CUSTOMER CARE POLICY**

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## **Preamble**

Whereas Section 95 of the Local Government Municipal Systems Act, Act No 32 of 2000 requires a Municipality to exercise Customer Care and Management in relation to levying of rates and other taxes.

And Whereas Section 156(1) of the Constitution of the Republic of South Africa, 1999 conferred powers of the Municipality to administer. Now therefore the Municipal Council of Polokwane Municipality adopts the Customer Care Policy as set out in this document.

### **1. PURPOSE AND OBJECTIVE.**

In establishing itself as a progressive and service oriented municipality, Polokwane Municipality, the City of Stars, is committed to focusing on its customers' needs as well as creating a positive and reciprocal relationship between the community or customers of the Municipality and the Municipality itself.

In order to achieve this objective, this Customer Care Policy has been adopted to develop structures to ensure that in our dealing with customers these values are demonstrated and in line with Batho Pele Principle

### **2. PRINCIPLES**

- a. Polokwane Municipality is aiming at setting a consistent excellent service standard in its dealings with customers.
- b. The Municipality is committed to ensuring human rights principles set out in the National Constitution of the Republic of South Africa, 1996, as well as the Batho Pele Principles, aimed at transformation of public service delivery, and "getting it right the first time", forms the basis on which Polokwane Municipality's service delivery rests.
- c. By laying this basis and building a service delivery model thereon, the Municipality wants to display the commitment to the principle of "Customer First" and ensuring that service excellence forms an integral part of the planning and delivery of all Municipal services to our community.

### **3. MUNICIPAL VALUES.**

- a) As a service delivery orientated organisation, and in order to satisfy the goal of achieving Customer Service excellence, a common set of values, that guides the interaction



between municipal staff and the customers shall form the basis of the relationship between the Municipality and its Customers.

b) Commitment to the following values will guide our Staff interaction with Customers and form the cornerstone of our customer focused approach:

- i) Mutual Respect, which includes mutual trust and understanding.
- ii) Good Customer Care.
- iii) Efficient and Excellent Service.
- iv) Integrity and Professionalism.
- v) Equity and Fairness.
- vi) Compassion and Dignity.

#### **4. "PEOPLE FIRST" – THE *BATHO PELE* PRINCIPLE**

- 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.

## **5. THE CUSTOMER.**

Habitually the people dealt with by the Municipality were primarily referred to as ratepayers or consumers. This created an unequal balance as these people were seen either as taxpayers or as people who consumed essential services provided by the Municipality.

The aim is at changing this mind set and constantly reminding ourselves that we are dealing with Customers,

- a. Thus, Customers are all the people that we as a Municipality deal with in the execution of our daily duties and work.
- b. Customers are the people who live in, work in or visit our City and Municipality and who do business with the Municipality.
- c. In this sense, the Municipality has internal as well as external Customers and the same standards shall apply to internal (colleagues and service providers) as to external Customers.

## **6. CUSTOMER CARE.**

### **WHAT CUSTOMER CARE IS AND WHY IT IS IMPORTANT:**

Polokwane Municipality is committed to assist its customers in getting the help they need in approaching the Municipality.

It is the Municipality's aim to, whenever contacted by a customer, make it convenient for the Customer to do so as well as treat such a Customer courteously, promptly and fairly.

This in essence means ensuring that the Customer will receive a prompt and clear response to any enquiry made within a stated period of time as defined in the Customer Care Standards and Management Controls as well as in the Customer Service Charters for the various service delivery counters.

Customer Care embodies the principle of taking care of Municipal Customers in a positive manner, as part of the set of behaviours to be undertaken in interaction with our Customers.

In order to achieve this it is important to clearly set goals as to how we can put Customers First. It is important to define what Service Excellence in Customer Care is so that all officials/staff will know what standards have to be maintained by them in executing their duties.

At the same time and in addition to staff education on Customer Care, Customers has to be informed what standards of Customer Care they can expect whenever they engage with any officials/staff of Polokwane Municipality.

The “Customer First” principle will also be adhered to by the Municipality in all policies and procedures to be considered.

Therefore Customer Care is:-

- a. Treating all Customers with courtesy, dignity and respect;
  - b. As far as possible customers may be served in their language of choice, always bearing in mind that English is the official communicating language of Council as per resolution;
  - c. Providing a good quality service in a friendly, efficient and helpful manner;
  - d. Giving people the information they need and providing an explanation where the service is not available or up to the expected standard;
  - e. Keeping the Customers informed of progress in addressing their complaints, requests and enquiries.
- a. Subsequently Customer Care standards are important to ensure:-
- i. That all Customers, whether they are residents or visitors to Polokwane Municipality, will receive the same consistent high standards of customer care;
  - ii. That Customer Care and service to Customers are essential to the planning and delivery of all Council Services;
  - iii. That Polokwane Municipality officials will constantly be reminded of their responsibility in putting the Customer First and what this means in practical terms;
  - iv. That Polokwane Municipality will eliminate wastage by providing all services “Right the First Time”.

## **7. CUSTOMER CARE CYCLE .**

### **8. The following will be dealt as in terms of Credit Control and Debt Collection Policy)**

- a. The Municipality provides services to the consumers.
- b. Afford opportunities for customer queries to be addressed.
- c. Implement the follow up process of query resolution.
- d. Ensure community interaction outside the office.
- e. Implement processes to produce accurate and credible accounts.
- f. Bill for the service rendered.
- g. Issue accounts to consumers.
- h. Remind customers by issuing notices to settle accounts.
- i. Issue final notices to non-paying consumers, a further opportunity to the consumer to either raise queries or to make arrangements for account payment.
- j. Consult with non-paying consumers, as part of the final demand process and actual credit control action and enforcement of credit policy.
- k. Final step is to restrict or disconnect actual services to the consumer, with clear municipal input via the customer care and debt collecting policies.

## **9. CUSTOMER INTERACTION.**

- a. Face to Face Contact;
  - a) Customers will be treated in a courteous and polite manner.
  - b) Staff will always give their full attention to the customer.
  - c) Wherever possible, staff will aim to resolve the customer's enquiry at first contact
  - d) We will aim to ensure all customers are catered for and appropriate arrangements are in place.
  - e) Staff at first point of contact will give customers the option of seeing specialist members of staff.

### **Waiting Times**

- a) After initial contact, customers will be given an indication of how long they can be expected to wait. If waiting times are to exceed 10minutes, customer care officials must inform the customer.
- b. Telephone Calls;
  - a) Staff will answer telephone calls promptly

- b) Staff should aim, wherever possible, to resolve the customer's enquiry at first contact.
  - c) If a call is put on hold the customer must be told why this is happening and kept updated if the waiting time is longer than expected.
- c. Written Correspondence.
- a) Incoming written correspondence will be acknowledged within 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.
- d. Complaints Procedure
- a) Staff will aim to resolve all concerns raised by the customer immediately and informally
  - b) Staff will inform the customer that if the informal resolution is not to their satisfaction, they may make a formal complaint and explain how to do this
  - c) Heads of Departments will analyse any complaints about the service in their respective units and take remedial action

#### **10. MEASURING SUCCESS IN CUSTOMER CARE.**

- a. Polokwane Municipality Customer Care Policy is extended with specific Customer Service Charters for each service delivery counter, in which Charter the Customer Care Standards for that specific service point is contained.
- b. Customer Care Staff attending to the various service delivery counters shall Pledge, committing themselves to upholding the Customer Care Standards set for their various service counters.
- c. Satisfactory Customer Care performance by Municipal officials/staff will be monitored continuously and regular Performance review.
- d. Methods for receiving Customer feedback will be developed and communicated to the customers.
- e. Communication means will be developed and communicated to the customers within the constraints of the municipal resources.
- f. Comments and complaints from Customers are an important part of the process and will assist in building a "Customer First" organisation. Monitoring methods will further help in developing programmes to address any shortcomings in the standard of the Municipality's service.

## **11. STANDARDS AND CONTROLS IN CUSTOMER CARE**

### **12.10.1 Customer Care Standards**

Polokwane Municipality is committed to the continuous improvement of the standards of service it renders to its Customers. For this reason the Municipality is endeavouring to provide services and manage complaints in a manner which is timeous, efficient and effective.

In reaching this goal in service delivery the following principles have been set as Customer Care Standards:-

- a. A friendly and courteous service that puts the Customer first; that is Customer focused and measurable;
- b. Clear guidelines along which officials/staff is to behave in dealing with Customers;
- c. Clear, achievable performance targets;
- d. Trained officials/staff who have a full understanding of the standards of performance expected from them and who are at the same time – through training – capacitated to achieve these performance standards.
- e. Commitment to equal opportunities which will provide:-
  - i) Support, interpretation and translation services;
  - ii) Clear signage to direct Customers to where they need to go;
  - iii) Accessible, welcoming buildings and service counters;
  - iv) Disabled access wherever practicable;
  - v) Private areas when necessary, where Customers can discuss private and sensitive matters;
  - vi) Officials/staff trained in awareness and understanding.

### **13. CUSTOMER EXPECTATIONS.**

Customers of Polokwane Municipality can expect the following treatment from officials/staff:-

- a. Courtesy, respect and consideration towards a Customer at all times;

- b. Officials/staff will identify themselves by name and communicate by listening and responding appropriately
- c. Communicate efficiently, with integrity, fairly and professionally;
- d. To be provided with relevant, accurate and up-to-date information;
- e. Actively seeking comments on a regular basis in order to continue and develop a service of high standard;
- f. In instances where problems arise:-
  - i. Officials/staff will deal with such a problem promptly;
  - ii. Advise on a probable delay in provision of a solution to the problem as well as any relevant reasons;
  - iii. Update on progress with long-term problems;
- v. Advise on how and who to contact in the event of any dissatisfaction.

#### **14. CUSTOMER CARE: MANAGEMENT.**

At the core of the service delivery principle of placing the Customer first, lays the practical challenges for the Municipality as organisation that requires us to re-evaluate processes as well as ensure achievement of set standards.

For the purpose of meeting that goal, controls to measure the Municipality's overall performance has been set in place, including:-

- a. Compliance with or adherence to the Customer Care Service Standards to be reflected as a Key Performance Indicator on each responsible official's Performance Plan;
- b. Continuous training programmes for officials/staff to ensure effective service delivery and Customer satisfaction;
- c. Continuous monitoring and review of processes and procedures in ensuring the Customer is put first;

- d. Consideration for introduction of a computerised call-logging and tracking system, ensuring sensitivity and efficiency in the enquiries, complaints and feedback received from Customers.

## **15. VARIOUS SERVICE DELIVERY COUNTERS.**

### **a. Disabled and Senior Citizens only.**

General enquires on all Municipal Services.

### **b. Municipal Services General – excluding & Licenses, Community Safety & Disaster Management.**

- a. Any query or complaint regarding Corporate and Technical Services to be recorded and submitted to the relevant Service Business Units.
- b. Means of communication between SBU's to be done via
  - Telephones; and
  - E-mails
- c. Centralized database to be maintained for accurate reporting and tracking purpose of all complaints.
- d. All Financial Services complaints must be captured on the financial systems notepad.
- e. Feedback to customers to be done via telephone and or e-mails and in person for walk in customers
- f. Turn-around time regarding feedback or completion of the complaint or query, must not exceed 21 (twenty one ) working days, alternatively according to timeframes as set in Policies and By-Laws of The Polokwane Municipality
- g. All queries and complaints that are not being dealt within the prescribed timeframe must be escalated to the next levels: Direct Supervisor, Assistant Manager, Manager, Director and ultimately the Municipal Manager.

### **c. Indigents and request for extension on payments:**

#### **Refer to indigent policy**

- a. All Indigents related queries
- b. Apply for extension of payments on service accounts on the prescribed via the prescribed documents

### **d. Account Statements and Clearances:**

- a. Issuing of duplicates accounts, histories and various reports.



- b. Receive applications for clearance requests on transfer of properties
- c. Attorney correspondence relating to clearances only (Submit and collect)

**e. Budget and Treasury – General enquiries:**

- a. All account and related queries.
- b. Request special meter readings on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- c. Request a Meter Test on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- d. Changing of addresses.
- e. Requesting ACB payment methods.
- f. Cancellation of ACB payment methods.
- g. Valuation certificates/roll at the tariff as per Councils Tariff policy.
- h. Request information subject to stipulation of Access to the Information as stipulated in The Promotion of Access to Information Act, Act 2 of 2000.
- i. Profile updates.
- j. Leeto la Polokwane Bus Tickets
- k. Prepaid water and Electricity Personnel
- l. RPU Officials

**f. Connection and Disconnection of supply services:**

- a. Only rightful owners are allowed to apply for services on the prescribed documents. No tenant will be allowed to apply for any services unless prepaid
- b. Notification of disconnections by owners of properties in respect of services on the prescribed documents.

\*Arrange final readings, including arrangements of access to premises by authorized representatives of the Municipality for purposes of final readings. Refer section 101 of the Municipal Systems Act, 32 of 2000.

**g. Cashiers.**

**Refer to cash management policy**

- a. Cashiers general.
- b. Cash Power (Water & Elect)
- c. Disabled, Senior Citizens

- d. Traffic Fines
- e. Leeto la Polokwane Bus Tickets
- f. One can also pay at the Shops- Easypays (Shoprite/Checkers/Pick'nPay/Woolworths/Boxer/Macro/Game); Unipay (Spar and selected Garages-Shell/Sasol) and Post Office.

#### **h. Municipal Control Centre**

The following services are located within the Municipal Control Centre by dialling the following telephone numbers: 015-290 2000 – Any Municipal related enquiries:

- Vehicle registration enquiries;
- Water & Electricity cut-off lists;
- Polokwane Mapping (Geographical Information System);
- Provincial Traffic After-hours call-out procedures;
- Electrical and water Complaints;
- Information on security and traffic cameras;
- Emergency Numbers;
- Disaster Management Information;
- Mobile Control Unit (Combined Joint Operation Control);
- Reporting bomb threats;
- Reporting serious occurrences;
- Reporting drowning;
- Complaints relating to animals;
- Towing Services radio link;
- Civil defence radio link.
- Any other services unless directed otherwise

### **15. COMMUNICATION TO PUBLIC REGARDING METER READING AND METER READING SCHEDULES**

- a. Members of the public must be informed that it is an offence under section 101 of the Local Government Municipal Systems Act to restrict accessibility of meters to authorised representatives of the Municipality.
- b. Inaccessible meters must be read at least within a six month cycle to correct any under/over estimations. Estimations must be calculated by using any three latest consecutive accurate meter readings or any verifiable accurate reading measured or fixed determined by municipality, on condition that;
- c. These latest readings should not exceed prior 3 years. If no accurate readings obtained within the three years, the readings should then be monitored for three months going forward; and the average of those accurate readings, shall be used to calculate the corrections as mentioned in c, above.
- d. Members of the public must further be informed that failure to receive an account does not relieve a consumer of the obligation to pay an amount due and payable. Accounts can be obtained during normal working hours, per e-mail, telephone request or by visiting the Civic Centre or any satellite office.
- e. Inform Polokwane Citizens of the Municipality's intention to do away with Conventional Meters- we rolling over to Prepaid Services
- f. 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 Staff 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 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**FINAL**

**EXPENDITURE MANAGEMENT  
POLICY**

**2024/2025**

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## 1. ABBREVIATIONS

**CFO** – Chief Financial Officer

**CM** – Council Minute/s

**IDP** – Integrated Development Plan

**MBRR** – Municipal Budget Reporting Regulations

**MFMA** – Municipal Finance Management Act, Act No. 56 of 2003

**MSA** – Municipal Systems Act, Act No.32 of 2000

**MSTA** – Municipal Structures Act

**MTREF** – Medium term revenue and expenditure framework

**SDBIP** - Service delivery and budget implementation plan

## 2. DEFINITIONS

**"Accounting Officer"** a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; and also refers to the municipal manager of a municipality in terms of section 60 of the MFMA;

**"Approved budget"** the annual budget approved by a municipal council; and includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

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

**Chief Financial Officer”** a person designated in terms of section 80(2) (a) of the MFMA;

**“Creditor”** a person to whom money is owed by the municipality;

**“Current year”** the financial year, which has already commenced, but not yet ended;

**“Delegation”** the power to perform a function or duty which is given to office bearer, councillor or staff members either in terms of section 59 of the MSA or section 79 of the MFMA;

**“Financial year”** a twelve-month period commencing on 1<sup>st</sup> July and ending on 30<sup>th</sup> June each year;

**“Overspending” -**

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

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

(c) in relation to expenditure under section 26 of the MFMA, causing expenditure under that section to exceed the limits allowed in subsection (5) of this section; **“Previous financial year”** the financial year preceding the current year;

**“Senior Manager”** all officials reporting directly to the Accounting Officer as contemplated in sect 56 of the MSA;



**"Service delivery and budget implementation plan"** a detailed plan approved by the executive mayor of the municipality, in terms of section 53(l) (c) (ii) of the MFMA, for implementing the municipality's delivery of municipal services;

**"Vote"** one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different directorates of the municipality; and which specifies the total amount that is appropriated for the purposes of the directorate concerned.

**"Vote holder"** means the senior manager to which the vote is assigned.

### **3. INTRODUCTION**

The Municipal Finance Management Act, (Act 56 of 2003) read together with the Municipal Budget and Reporting Regulations, provides the legislative framework within which any expenditure related transactions must take place.

Section 11 of the Municipal Finance Management Act, (Act 56 of 2003) specifically provides the legislative framework for any withdrawals from any bank account in the name of the municipality. The budget plays a critical role in an attempt to realise the diverse community needs. Central to this, the formulation of this expenditure policy must ensure that the objectives of the MFMA as set out in section 2, is incorporated in the day to day administration of the municipality. This policy must be read, interpreted, implemented and understood against this legislative background.

### **4. OBJECTIVE**

The objective of the Expenditure Management policy is to:

a) Set out a framework for the municipality to deal with:

i. All expenditure related transactions; ii. To establish and maintain procedures to ensure adherence to the Municipality's

IDP review and budget processes; and

- b) 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
- c) 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.

## **REVIEW OF POLICY**

This policy will be implemented on 1<sup>st</sup> July 2024 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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**FINAL**

**FARE POLICY AND FARE**

**STRUCTURE**

**LEETO LA POLOKWANE**

**2024/2025**

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**ANNEXURE "A" TO THE FARE STRUCTURE – FARE REGIME**



## DEFINITIONS AND ACRONYMS OF TERMS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:

Term	Definition
NLTA	The National Land Transport Act, No 5 of 2009
AFC	Automated Fare Collection system as defined in the NLTA Regulations. A Smartcard must be used as the main Payment Medium.
BRT (Bus Rapid Transit)	A high capacity road based public transport system utilising buses of varying sizes and capacities characterised by high frequency of vehicles and exclusive use lanes which may or may not be physically separated from other traffic lanes. Bus Rapid Transit systems consist of high capacity trunk routes as well as feeder routes.
Check in/out	To check in or check out is the terminology used to describe the act of entering or leaving the transport system and either by validating a Smartcard on a card validator machine or by use of a paper ticket. Using a Smartcard to enter or exit the system is also referred to as tapping in or out as the card is often tapped against the validator equipment although physical contact is not necessary as the validator equipment can detect a card in close proximity to the validator.
Chief Financial Officer	an officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person: - <ul style="list-style-type: none"> <li>• acting in such position; and</li> <li>• to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.</li> </ul>
Contracting Authority	Authority assigned to a Local Government by a Provincial MEC for transport to develop, negotiate and enter into contracts with public transport operators in terms of the NLTA
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
Director	the person in charge of the transportation services component(s) of the Municipality and includes any person acting in such position; and to whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
Electronic Purse	Portion of the data storage facility on the Smartcard (ABT) wherein cash can be loaded electronically for use to purchase cash Fares or low value retail purchases from retail merchants, at a retail outlet that supports the use of this functionality of the card.
ABT	The Account-Based Ticketing Fare collection system as specified by the Department of Transport,

ABT Card Issuing Fee	<p>The fee to be charged to any passenger to whom an ABT Card is issued:</p> <ul style="list-style-type: none"> <li>• on request, the Municipality may redeem the issuing fee where the passenger returns the Smartcard, provided that the card has been used on the Leeto La Polokwane system.</li> <li>• subject to Leeto La Polokwane Rules and Terms &amp; Conditions made available together with the Smartcard, or on the Municipality's website, including terms and conditions regarding the redemption of the issuing fee - which conditions may be varied on notice to the passengers;</li> </ul> <p>The Smartcard issuing fee may, for marketing purposes, be waived when and where applicable as authorised by the Transport Authority in consultation with the Chief Financial Officer.</p> <p>The ABT Card Issuing Fee shall be waived in respect of the first issue provided ID number of the passenger is captured on issue.</p>
Fare	The price of conveyance or passage of a person travelling on a public transport vehicle.
Fare Box Recovery Ratio	The Fare box recovery ratio of a passenger transportation system is the fraction of operating expenses which are met by the Fares paid by passengers. It is calculated by dividing the system's total Fare revenue by its total operating expenses. Fare Box Recovery Ratios are normally represented as a percentage with 100% representing a balance between operating cost and revenue.
Fare Evasion Penalty Fare	<p>The Fare to be charged where there is prima facie proof that a passenger has intentionally evaded or attempted to evade paying a Fare.</p> <p>An example is where a passenger jumps over an access gate or a station fence, or intentionally tailgates. An example of tailgating is where a passenger enters a gate together with another passenger in such a manner that the second passenger does not pay a Fare.</p> <p>Where more than one passenger acts in this way with a common purpose, they may all to be charged the Penalty Fare.</p> <p>Despite having been charged a Penalty Fare, the relevant passengers may also be prosecuted.</p> <p>The Fare Evasion Penalty Fare applies where the passenger is found to have evaded or attempted to evade the Fare on a Route..</p>
Interim Period	The duration of the Interim Service, which shall not exceed 3 (three) years from date of commencement thereof.
Interim Service	A public transport service that is run on a temporary basis and may or may not be replaced by a permanent service and may operate under a temporary or experimental fare system and design until the permanent service commences operation or the temporary service is terminated.

IRPTS (Integrated Rapid Public Transport System)	A public transport system that is integrated with other public transport systems and that conveys passengers rapidly and at higher speeds by using a degree of segregation from other traffic either by exclusive use lanes in the case of road based public transport. Rapid transit systems are characterised by high capacity and high frequency of vehicles.
IRPTS Full Fare System	The IRPTS service using a full fare management system, namely an AFC system including technology, software and back office capacity required to administer a route-based fare. Public to be notified of the start of the IRPTS Full Fare System through a notice in the press. IRPTS.
Journey	One or more One Way trips connected through permitted closed and open transfers.
Leeto La Polokwane	The official brand name of the Municipality contracted, road-based public transport system consisting of Bus Rapid Transit (BRT) on trunk routes and supported by a feeder and distribution network on other routes and utilizes a variety of vehicle and facility types. The Leeto La Polokwane system is characterised by high quality services an automated fare collection system utilising CiPurse Smartcard technology and is operated by means of vehicle operator contracts developed and administered by the Municipality.
Municipality	Means Polokwane Municipality established in terms of the Local Government Structures Act.
Municipal Manager	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and includes any person acting in such position; and/or to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipal Services	any of the local government matters listed in Part B of Schedule 4 of the Constitution, those services provided by the Municipality, including Municipal Public Transport Services, and for which payment is required by the Municipality or not.
Municipal Surcharge	A charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the Constitution
Notice in the press	A notice placed in two newspapers generally circulating in the City of Polokwane prior to the relevant information that is to be published, as per the City of Polokwane Communications Strategy.
Off-peak periods	All periods of operation of the service, other than peak periods.
One Way	One Journey or trip either in a forward or a return direction only.
Payment Medium	The means by which payment is made or payment information is conveyed e.g. by paper ticket or Smartcard etc.

Peak Period	The period as defined in the official published timetable (as amended from time to time) and relates to the peak demand of travel during the morning and evening peak periods. This period may be amended by a notice in the press.
Penalty	A punishment or sanction imposed by law or an authority for a crime or an offence.
Policy	A plan, course of action or guiding principle of a government or business, intended to influence and determine decisions, actions, and other matters.
Premium Service	A service designed on a specific route for a specific trip purpose. A premium service generally offers a higher level of service than a non-premium service.
Redundancy Conditions	A condition which occurs when a necessary part of the AFC system is not operating as planned, such as when the system for loading cash on the card is down, or when the electricity supply is interrupted and the uninterrupted power supply (provided as backup) fails, or where the electricity supply is interrupted for an extended period resulting in the power in the uninterrupted power supply being depleted. It could also be due to a corrupted server and data is lost.
Regulations	Refers to the Regulations relating to integrated fare systems published in the Government Gazette on 17 June 2011 in terms of the National Land Transport Act, No 5 of 2009.
Ridership	In public transport terms, patronage or ridership is a type of forecasting or statistic for studying the average quantity of passengers ("patrons") carried per certain time period in a mode of a public transport system. The concept should not be confused with the maximum loading capacity of one particular vehicle or the whole public transport system. The gathered or predicted ridership data is usually used in transport planning to align a route and determine the kind of vehicles that should be employed.
Seamless Travel	Travel from origin to destination, which attempts to improve the ease of transfer between modes.
Smartcard	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 traveler to choose the amount to load and to use this for travelling on a pay as you go basis. This product does not offer any discounted Travel Fare and is charged at single trip rates. Transit points loaded are equivalent to the rand value.
Travel Demand Management	<p>The concept of managing travel behaviour in favour of more efficient transport modes is known as Travel Demand Management (TDM). The following six focus areas should inform the Travel Demand Management Strategy:</p> <ul style="list-style-type: none"> <li>• Promote Higher Vehicle Occupancies.</li> <li>• Roll out programmes for large employers to encourage alternative transport options (Travel Smart programme).</li> <li>• Develop supporting Policies and Tax incentives.</li> <li>• Market TDM and Public Transport.</li> <li>• Develop a Congestion Pricing Strategy and focus on Intelligent Transport System applications to inform drivers.</li> </ul>
Travel Package	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.

<b>ACRONYMS</b>	<b>SACRO</b>	<b>MEANING</b>
NYM		
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, the Phase 1A of 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 for 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 socio economic 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 there are different public transport modes that are operated by different entities and 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 prior to 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 highly unlikely that the IPTN system can immediately recover all direct operating costs to ensure 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.

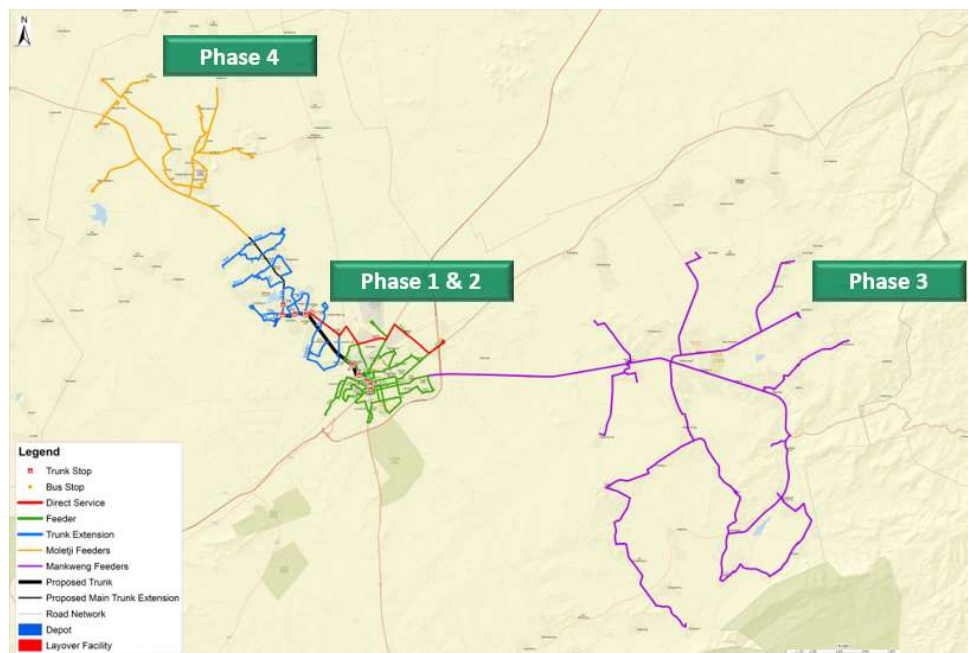
Three fundamental parameters are related to decisions taken about Fares namely,

- 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-Moleteji 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 PIRTN. 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 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 exiting 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 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 pursuant 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 Fares 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 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 the 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 be applicable 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 from 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 in relation to 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 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 an 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, and 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 increases in an environment where the fuel price and/or an exchange rate decreases 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; one is 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 of 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 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.:

- (v) The fare structure must be simplistic to the passenger
- (vi) Fare evasion must be minimized
- (vii) Revenue collection must be administrable to the Planning Authority and
- (viii) 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 that undertakes a longer trip that was intended and then pays to travel to a certain zone, but actually 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 cost 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 in relation to 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 and a distance-base fare and 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 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 a number of 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 period:** different fares are charged depending on the demand during the time period when the service is used. For example: peak services versus off-peak services, weekdays versus weekend, 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's 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 pre-school 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 IRPTN Fare Policy.

It gives an indication of what the strategy and a very high-level description of what each strategy entails. It is not the intention of this document to provide the 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 IRPTN: All phases must be approved in principle to support the detailed analysis on 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 13.00 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 13.00 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 8.00 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 Account Based Ticketing System (ABT) as an inter-operable payment solutions. 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 which 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 close proximity with an acceptable reader. It should be noted that for the purposes of loading value, contact is required by inserting the card in a bank terminal and entering the PIN.

In Leeto La Polokwane, users should be able to buy the 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. In order 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) have been shown to be 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 the bank-based cards also results in extra Fare system costs. These include the cost of purchasing the Smartcard, and bank load fees each time value or a Fare product is loaded on the card (also referred to as top-up fees).

## **2.2 Concessions**

While the cost associated with the introduction of concessions cannot be calculated at this time, using the primary reason of wishing to encourage certain travel patterns, the following concessions/discounts should be considered.

- By implication, all users pay the same Fare.
- Any children not requiring the use of their own seat may be transported free of charge. Thus only children under the age of 3 (three) years will be transported free of charge, one child per adult.
- No specific discount is proposed for persons with disabilities, as the universally acceptability requirements are such that the level of service provided is of equal standard to all passengers .

- In future, once the system has been in operation long enough to identify travel patterns, and it is financially viable to do so, taking into account the complexity of implementation, Fares may be discounted on Sundays and Public holidays, thereby allowing the use of the system for leisure activities as well.
- Consideration may in time be given for the discounting of all off-peak usage, but the initial recommendation would be to gather passengers information for several months following the implementation of the Interim Period, before such a decision is taken.
- To be eligible for a concession, the cards need to be personalized, to ensure that the passengers fall within a specific concessionary group.
- Loyalty programme and marketing cards activation campaigns

### **2.3 Purse and Product**

Provision will also be made for specific products, including the following Multi Journey Tickets (MJT):

- Weekly tickets
- Monthly tickets

Both the above allow a reasonable discount for the early purchase of access for 7 days (in the case of a weekly ticket) or 28 to 31 days (in the event of a monthly ticket).

### **2.4 Annual and Irregular Fare Increases**

Provision will be made for an annual escalation of the Fares charged. This increase should be set, as a minimum, at the level of the transport related consumer price index (CPI).

As public transport fees have in some cases been allowed to fall below actual annual increases in transport related expenditure, provision should also be made to increase the annual fees by more than the transport CPI. This will, to a certain extent, allow for the appraisal and inclusion of potential fuel increases during the following year, but in addition, will allow for the gradual increase in Fares to reflect the fact that the provision of public transport via Leeto La Polokwane delivers a standard and level of service that exceeds that of the mini-bus taxi and other bus services.

### **2.5 Initial Boarding Fares**

The proposal for a Flat Fare based on trips will allow for the determination of a Fare per route. In principle, the significant transfer point for the first phase of operation will be the main station in the

CBD. In the Leeto la Polokwane's case, the Fare is not based on a boarding Fare, and thus in principle no provision needs to be made for transfers.

## **2.6 Single trip tickets**

Provision will be made for passengers who are not regular travelers and would not normally be in possession of a Smartcard. This would include visitors to Polokwane.

- The AFC solution will allow for the issue of single trip tickets, whether via refundable smart card, electronically on the bus, or via a paper ticket system.
- To discourage regular use of something which is designed to be irregular, the Fare for a single trip ticket will be priced higher than that of a regular user. The pricing will not be exorbitant, but none the less it may be different.
- The recommendation would be to price single trip tickets at more than a regular Fare.
- These tickets may also be used to accommodate special events for non-regular users of the system. An example of this might be international supporters being transported to and from the stadium, as part of their sports tour.

## **2.7 Penalties to be imposed**

The AFC system will not be required to actively calculate or impose penalties, as in principle, entry to the system will not be allowed without sufficient funds or product being loaded on the card.

Penalties for Fare Evasion can only be levied in terms of legislation, and without being definitive in this regard now, it is likely that Municipal By-Laws will 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 hand held validators will seek to limit incidents of Fare Evasion. The latter will be an AFC operator function.

## **2.8 Other matters for noting**

The hours of operation will be a function of passenger requirements, implemented using an operational plan, such 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. Fares that are very low will increase ridership but limit revenue. The objectives of the Municipality with respect to 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 own resources. The extent to which the Municipality is able to 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 available to cover that portion of the service cost that is not covered by Fare Revenue.
- The objective 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 the Leeto la Polokwane's transport policies is to encourage off-peak trip making as a travel demand management measure. Setting Fares lower in the off-peak will greatly aid this. Many passengers may be able to make their trip in the off-peak rather than the peak, e.g. for shopping, visiting friends, administrative chores, etc. In the off-peak there is considerable system capacity that can generate revenue exceeding the marginal cost. The off-peak could be defined as between 9:00 and 15:00 and after 18:00 on weekdays, and on weekends and public holidays.

Notwithstanding the above, implementation of the Discounted Fares during the Interim Phase might not be feasible as the system will need to operate long enough to identify travel patterns first. Discounted Fares may be considered in future, depending on various factors as identified in this document.

#### **4 SANRAL-ISSUED CARD FEES**

There are fees and costs related to the use of Smartcards, ie ABT, including a load fee payable to the bank when value or Travel Packages are loaded, as well as the cost of the card medium itself. Cash load fees shall be for the travelers account, with the Municipality absorbing the cost of transit loads.

Regarding the cost of the card medium, it is intended that to charge the card R45 for cost be 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 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 to keep 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), 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 time 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 of bulk purchase 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. With respect to 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 in regard to 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 complaint 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 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 station validation would require a closed station in order 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 decision 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 off-set 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 price.

Amendment to Fare levels will be done after consultation with the VOC. The VOC understands and accept 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 is able to generate. Data can be collected and analysed about the way in which 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 the purposes of 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 include 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 of each component of the AFC system.

## **10 POLICY IMPLEMENTATION PLAN**

An implementation plan has been developed for this Fares 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. Pursuant to the launch the Municipality will monitor the financial implications of the Flat Fare, undertake further work in order 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 13.00 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 8.00 for that trip.

The same Fare shall apply with respect to return trips.

A flat rate of R45 would be charge on the first issue of the ABT card and R60 would be charged for replacement of lost or damaged card.

<b>Description</b>	<b>Price</b>
Seshego to CBD	R 13
Flora Park to CBD	R 8
Westerberg to CBD	R 8
ABT Card	R 45
Replacement of ABT Card	R 60

### **Date of implementation**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation



**FINAL  
FUNDING & RESERVES  
POLICY**

**2024/2025**

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## **FUNDING AND RESERVES POLICY**

### **1. INTRODUCTION AND OBJECTIVE**

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short and long term and includes funding as well as reserves requirements.

### **2. SECTION A : FUNDING POLICY**

#### **2.1 LEGISLATIVE REQUIREMENTS**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No. 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
- Borrowed funds, but only for capital projects

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cashfunded, i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

#### **2.2 STANDARD OF CARE**

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

#### **2.3 STATEMENT OF INTENT**

The municipality will not pass a budget which is not cash-funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

## **2.4 CASH MANAGEMENT**

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

## **2.5 LIABILITY MANAGEMENT**

Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

## **2.6 FUNDING THE OPERATING BUDGET**

### **2.6.1 INTRODUCTION**

The Municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross-subsidisation in some tariffs to be calculated in the budget process.

### **2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET**

The following specific principles apply when compiling the budget:

- (a) The budget must be cash-funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- (b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
- (c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
- (d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation and be included in changes in Cash and Cash Equivalents and Payables.

Within the budget grants recognised as revenue must equal the total expected expenditure from grants inclusive of capital expenditure and VAT, as per directives given in various MFMA Circulars.

(e) Projected revenue from service charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).

(f) Projected revenue from property rates must include all rates to be levied.

For the purpose of the Cash Flow Budget all rebates and discounts must be deducted from the projected revenue.

(g) Only charges in fair values related to cash may be included in the Cash Flow Budget. Changes to unamortized discount must be included in the Operating Budget.

(h) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits requirements are well above the initial cash capabilities of the municipality. It is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at 5% of the prior year balance of the long-term benefits, be included in the operating budget to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an 'Employer Benefits Reserve'.

(i) Depreciation must be fully budgeted for in the operating budget.

(j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

## **2.7 FUNDING THE CAPITAL BUDGET**

### **2.7.1 INTRODUCTION**

The Municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

### **2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE**

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.



## **Cash**

The capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions will be determined during the budget process.

## **Grants (Including Public Contributions)**

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding do not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

## **External Loans**

The Municipality may only raise loans in accordance with its Borrowing Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised must be included in the cash surplus for the year.

## **2.8 FUNDING COMPLIANCE MEASUREMENT**

### **2.8.1 INTRODUCTION**

The Municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless those negative indicators can be reasonably explained and any future budget projections address the turn-around of these indicators to within acceptable levels.

### **2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

A positive Cash and Cash Equivalents position should be maintained throughout the year.

### **2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS**

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants; ○ unspent conditional public contributions;
- unspent borrowings; ○ VAT due to SARS; ○ secured investments;
- the cash portion of statutory funds such as the Housing Development Fund; ○ 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 as at 1 July 2024 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**FINAL**  
**INDIGENT AND SOCIAL SUPPORT**  
**POLICY**

**2024/2025**

## **PREAMBLE**

**Whereas** section 152 of the Constitution of the Republic of South Africa requires the Local government to ensure the provision of services in a sustainable manner, and whereas section 97 of the Municipal Systems Act prescribes that such policy must provide for 'provision for Indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents'.

**Now therefore** the Municipal Council of the Municipality of Polokwane adopts the Indigent Policy as set out in this document.

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## 1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: -

<b>Authorized representative</b>	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
<b>Basic service</b>	The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment. For the purpose of this Policy basic services will be restricted to electricity, refuse, sewerage, water and any other rebates or exemptions as approved by Council.
<b>Chief Financial Officer</b>	An officer of the municipality appointed as the Head of the Budget and Treasury Directorate and includes any person acting in such position
<b>Council or Municipal Council</b>	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
<b>Customer</b>	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property.
<b>Defaulter</b>	A person who owes money in respect of a municipal account after the due date for payment has expired.
<b>Household</b>	A Property and all its occupants.
<b>Interest</b>	A levy with the same legal priority as service fees and calculated on all amounts in arrears at a standard rate as approved by Council.
<b>Municipal account</b>	The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality.
<b>The Act</b>	The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
<b>Indigent</b>	A poor / needy household unable to make monetary contribution towards basic services and qualifies in accordance to this policy.
<b>Indigent Levy</b>	A fixed charge payable by qualifying Indigent households levied on a monthly basis.
<b>Subsidy</b>	The financial relief granted to qualifying indigent households

<b>Pensioner</b>	refers to a person who is 60 years of age and older in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council annually;
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## **2. 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;

## **3. 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.

## **4. 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 RSA 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

## **5. CRITERIA FOR PENSIONERS**

The aim of this rebate is to alleviate the burden on pensioners earning below the approved threshold as per the tariff schedule. Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out in below:

- Pensioners may be granted a rebate on their Primary Property, from the date the applicant qualifies.
- The applicant must meet the following criteria:
  - The applicant must be a south african citizen

- 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;
- not be in receipt of an indigent rebate;
- 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.
- Combined household income must be below the threshold set by council
- if the owner has retired at an earlier age for medical reasons proof thereof must be submitted;
- The total income household should not exceed two times the indigent threshold

## **6. SUBSIDY**

The subsidies below will be funded from the Equitable share contribution received from National Treasury. The subsidies will only be granted to qualifying households to the extent that the above-mentioned funds are available for allocation.

a) The qualifying Indigent households may receive the following subsidy per month.

- 100% rebate of the basic charges for electricity per month
- 100% rebate of the availability charge for sewerage per month
- 100% rebates on sewer connection charge per month.
- 100% rebate of the basic charge for refuse removal per month
- 100% rebate of refuse charge per month
- 100% rebate on property rates
- 100kwh electricity consumption subsidy per month (cumulative on Pre-paid)
- 50kWh on Eskom supply Areas
- 6kl Water consumption subsidy per month (cumulative on Pre-paid)

b) Other Rural Benefits/subsidy

- Basic water
- Other alternative energy
- Basic refuse removal
- Basic sanitation

c) Pensioner Subsidy

- 80% rebate on property rates

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.

## **7. 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)
- 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.

## **8. 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

## **9. 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.

## **10. 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

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 UIF, SARS, 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

## **11. DURATION OF SUBSIDY**

The duration of the indigent and pensioner's subsidy will be from date of the approval limited to 5 year linked to the term of the council

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

## **12. 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

### **13. AMOUNT IN ARREARS**

Beneficiaries with municipal accounts in arrears at the time of the application (approval) for a subsidy, may have such arrear amounts written off upon approval depending on availability of budget/funds.

An indigent debt will be written off from time to time as recommended by Council

### **14. REGISTER**

The register may contain the name of the applicant, the name of the registered owner of the property, the identity number of the applicant, the contact details, the suburb, stand number, sub-division, street address, ward number and application date.

This Indigent register will be updated on monthly basis as and when applications are received.

## **15. COMPLAINT/APPEAL MANAGEMENT AND DISPUTE RESOLUTION**

Complaint or dispute management will be managed by the Revenue Executive committee established by the Revenue Manager.

The Revenue Executive Committee will comprise only of senior revenue officials not limited to The Revenue Manager, Revenue Assistant managers, Senior Accountant and Accountants.

The Revenue Executive Committee must meet at least once per month. The Indigent Committee must consider each complaint; assess it in terms of this policy and any other information which members may have in respect of the applicant.

The applicant may lodge formal appeal in terms of section 62 of Municipal System Act if not satisfied with the decision of the Revenue Executive Committee

## **16. INDIGENT LEVY**

An Indigent levy will be charged to the account of all approved indigents in accordance with the approved schedule of tariffs.

## **17. SHORT TITLE**

This policy shall be called the Indigent and social support Policy of the Polokwane Municipality.

## **18. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



# **FINAL INVENTORY MANAGEMENT POLICY**

## **2024/2025**



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## 1. 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.

## 2. 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.

## 3. 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.

## 4. Access to Stores

- ❖ The central stores should be operated as a closed store, whereby, suppliers and end – user department are excluded from stores area except on a specially approved and escorted basis.

## 5. Procedures and Internal control measures.

### 5.1 Stock Levels

- ❖ The following should be determined to maintain optimum stock levels:
  - a. Minimum, maximum and re- order levels
  - b. Slow moving or obsolete stock

## **5.2 Stock Level Maintenance:**

- ❖ Monitoring and maintaining of stock levels and creating of stock requisitions to ensure the availability of stock at all times:
  - The stock controller or delegated official on **weekly basis** to print out a report of stock items outside 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 long term contract awarded.

## **6. Review of stock levels**

- ❖ In order 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 ensure the availability of stock/materials at all times 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.

## **7. Purchase requisition for stock items**

- ❖ All purchase requisition for stock replenishment must be approved by the Assistant Manager: Logistics or delegated official prior to the acquisition.

## **8. Expediting of orders**

- ❖ The Buyer will be required to monitor and expedite outstanding purchased orders.
- ❖ If the delivery conditions reflected on the purchase order from are not complied with, it should be followed up with the supplier immediately.

- ❖ The Buyer should send the reminder correspondences to the suppliers based on the reminder levels that are set in the purchased order and such correspondence entails amongst:
  - Reminder to the supplier of the pending delivery, delivery period, quality and quantity
  - Promises made by the supplier
  - The impact of failure to deliver on time
- ❖ The Buyer must report to the stock controller about the outstanding orders that were not delivered as per agreed delivery dates with the supplier on weekly bases.
- ❖ The stock controller / Buyer based on the information at hand and analysis thereof refer the report of the non performing suppliers to the contract management section for action to be taken or to the Assistant manager logistics.

## **9. Receiving and issuing of stock materials**

### **9.1 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.

## **9.2 Issuing of stock**

### **9.1.1 System Requisition**

- ❖ No issuing of stores 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 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 requisition which has an issue, vote number, description and quantity.
- ❖ When issuing the official responsible will then check the correctness of the quantity of the items requested, the description as per request and the official issued and received the materials must sign the requisition.
- ❖ The signed requisitions after issuing are filed for record keeping and audit purposes.

### **9.1.2 Offline Requisitions**

- ❖ During standby, power failure, system problem and when the network is down manual requesting of stock should be done manually and immediately when the system is up and running, the issuing official must capture all manual requisitions to update the stock on the system.
- ❖ All offline requisitions should be captured within 48 hours after the system is up and running.
- ❖ All offline requisitions should be numbered and recorded on the register of offline requests.
- ❖ The copies of the online requisitions must be attached to the manual requisitions.

- ❖ At the end of each working day the Stock controller or delegated official must check the manual requisition file to ensure that all manual issues have been processed or captured timely and maintain proper record keeping system for inventory.

## **10. Coding of Stock Items**

- ❖ All stock items are to be classified in terms of a unique identifying item number and description.

## **11. 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.

## **12. 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 prior to 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 first count and the differences report.
- (f) If the second count corresponds with the system, then the second count is accepted as correct.
- If the second count differs from the system but correspond with the first count, the counted figures are accepted as correct and indicated as surplus or shortage.
  - If the second count and the first count differ from the system, the items must be indicated on a new count list for a third count.
- (g) If the third count must be done, the stock controller with the senior storekeeper and storekeeper will do it. The third count must be done according to the same procedure as stated above.
- (h) The third count will again be compared with the differences report and the first two counts.
- If the third count corresponds with the system, the count is accepted as correct.
  - If the third count corresponds with either of the first two counts, the corresponding figures counted will be accepted as correct and the difference between the counted figure and the system figure must be shown as a surplus or a shortage.
  - If the third count differences still occurs the item must be investigated further to identify the problem until a proper solution for the continuous discrepancies are found.
- (i) The final list of all counts (1, 2 and 3) of all surpluses and shortages must be signed by the Senior storekeeper, Storekeeper of the stores and Auditors as confirmation of all parties involved that the figures counted are correct and is the final figures counted, be handed to Chief Financial Officer.
- The final list of surpluses and shortages will not be left in the possession of any party involved in the count for further investigations.
  - The Senior Storekeeper and Storekeeper Can ask for copies of the list direct after the final count.



- The Stock Controller will after finalizing of the count, take all counting lists, all differences reports, attendance registers with the final stock take list and file all documentation in the file.
- (j) After the stock take a report of such surpluses and shortages has to be generated and be submitted to council for adjustment of the surpluses and shortages or for further steps to be taken, if necessary and/ or authorise stock as redundant or obsolete.

### **13. 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.

### **14. 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.

### **15. Reporting**

- ❖ Stock controller or delegated official should provide a monthly report, which must include information relating to:
  - Monthly reconciliation
- ❖ On a quarterly basis provide a report on stock taking conducted for the quarter, which must include Surpluses, shortages, damaged and stolen items.

## **16. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1st July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.





**FINAL  
LEAVE POLICY**

**2024-2025**

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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:**

<b>“Annual leave cycle”</b>	means the period of twelve (12) month’s employment with the same employer immediately following an employee’s commencement of employment or following the completion of that employee’s existing leave cycle.
<b>“BCEA”</b>	Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended from time to time.
<b>“Calendar Year”</b>	starts on 1 <sup>st</sup> January and ends on 31 <sup>st</sup> December annually.
<b>“Employee”</b>	any person, who works for Polokwane Municipality and who receives any remuneration and any other person who in any manner assists in carrying on or conducting the business of the employer excluding an independent contractor.
<b>“Employer”</b>	refers to Polokwane Municipality

<b>“Leave”</b>	is considered as time off / away from the workplace where the employee is not able to avail him/herself to executing duties and tasks as normally done by the employee.
<b>“Leave year”</b>	refers to a period of continuous service of 12 months and such leave year normally should start on the date of the appointment of the employee. (See also elaboration on “year of service” further down.)
<b>“Medical practitioner”</b>	means a medical practitioner, dentist or traditional healer registered in terms of legislation.
<b>“Year of service”</b>	is the period of 12 months’ continuous service from the date of appointment to the next date of appointment, and this date may be extended with any periods of absence of 20 working days or longer in any leave year.
<b>“SALGBC”</b>	means the South African Local Government Bargaining Council;
<b>“Special leave”</b>	means leave in addition to normal leave
<b>“the Municipality”</b>	refers to Polokwane Municipality
<b>“Working day”</b>	means any day on which an employee is normally required to work according to the service requirement applicable to the employee’s post and as agreed to in the SALGBC

## **5. LEGISLATIVE FRAMEWORK**

The obligation on an Employer to grant leave is regulated by, amongst others:

- Labour Relations Act, 1995 (Act 66 of 1995) as amended from time to time
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended from time to time:
  - Chapter Three (3) (Sections 19 – 27) of the Basic Conditions of Employment Act, Act 75 of 1997 (as amended) [Where the BCEA is considered a minimum act, and collective agreements can resolve on matters that are more favorable than the BCEA, but never less favorable than the BCEA.]
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended from time to time
- National and Divisional Collective Agreements, as amended from time to time, concluded in the South African Local Government Bargaining Council (SALGBC)
- Employment Contracts in terms of Proclamation R.805 dated 01 August 2006, as amended from time to time, of the Municipal Manager and Directors directly accountable to the Municipal Manager
- Municipality's System of Delegations, as amended from time to time
- Any other legislation that directly or by implication regulates leave.

## **6. TYPES OF LEAVE COVERED BY THE LEAVE POLICY:**

The Leave Policy will regulate:

- Annual Leave
- Sick Leave
- Family Responsibility Leave
- Maternity, Adoption and Leave
- Parental Leave
- Special leave for injury on duty cases and occupational diseases
- Sick leave without pay
- Special Leave
- Leave for purposes of time off in lieu of overtime
- Additional leave for Long Service Recognition
- Leave without pay/Unpaid Leave

The Leave Policy does *not* regulate:

- Time off / leave to attend to Organisational Rights Matters
- Time off / leave to attend to Seminars / Conferences / Meetings or similar matters.



## **7. PRINCIPLES:**

### **7.1. Granting and Cancellation of Leave of Absence:**

- 7.1.1. Leave of absence shall be subjected to the Municipality's approval in terms of its Systems of Delegation.
- 7.1.2. The BCEA (s20) (2) rules that an employer "must grant an employee at least 21 consecutive days' annual leave on full remuneration in respect of each leave cycle." It is therefore a right to each employee to be allocated leave. However, there are more forms of leave than only annual leave, and collective agreements and other policies will regulate additional forms of leave. The amount of leave granted in the municipal sphere is also more than what the act prescribes and can include (but is not limited to) types of leave as mentioned above; it also includes Additional Sick Leave or Long Service Recognition Leave.
- 7.1.3. Notwithstanding the provisions of any law, SALGBC agreement or policy of the Municipality, the Municipality may at any time cancel, postpone or interrupt leave of absence, other than sick leave, which has been granted to an employee should it be deemed necessary in the Municipality's interest to do so, and such an employee shall be compensated by the Municipality for irrecoverable expenses or commitments incurred by him / her / before he / she had been notified of the cancellation, postponement or interruption.
- 7.1.4. Should an employee whose leave of absence is interrupted travel in order to resume duty, the Municipality shall pay his / her expenses for the forward and return journey and he / she be regarded as being on duty while travelling.
- 7.1.5. Cancellation, postponement or interruption of leave of absence shall be confirmed in writing.
- 7.1.6. Should the Municipality refuse an employee's application for leave of absence, or cancel, postpone or interrupt such leave register and the employee shall be credited with such leave over and above the maximum determined in terms of the provision of any law, SALGBC agreement or policy of the Municipality and be permitted to take it within 12(twelve) months after refusal, cancellation, postponement or interruption.
- 7.1.7. An employee shall not go off duty or absent him / herself from duty without prior permission unless he / she is prevailed by sudden illness or owing to other circumstances acceptable to the Municipality from remaining on duty or reporting for duty.

- 7.1.8. Except in the case of sick leave, the period from the date on which an application for leave is received until the date on which the leave begins shall not be shorter than the period of leave applied for, provided that a shorter period may under exceptional circumstances be allowed by the Municipal Manager or relevant Director / Manager.
- 7.1.9. When an employee applies for any form of special leave, the employee must attach documentary proof for the reason that the leave is applied for.
- 7.1.10. All types of leave which require supporting documentation will be converted to annual leave and/or unpaid leave in instances where such proof is not timeously submitted by an employee.
- 7.1.11. Approvers are expected to approve leave applications timeously, leave not approved timeously will be escalated to Human Resources after 5 days whereby the ESS Administrator will approve on their behalf.
- 7.1.12. If an approver has reason not to approve an employee's leave application, they must decline/disapprove the application timeously and not leave it hanging in the inbox as the ESS Administrator will approve it after the 5-day escalation; this action is taken in an endeavor to have accurate leave balances at the end of every month.

**7.2. Granting of other types of leave as per Chapter Three of the BCEA:**

- Sick Leave (s22)
- Maternity Leave (s25)
- Family Responsibility Leave (s27)

**7.3. Leave Registers:**

- 7.3.1. Leave is a liability for Municipalities, and therefore proper management of leave will ensure that any risks / liabilities for both the employer and employees are reduced to a minimum or prevented.
- 7.3.2. All leave granted, taken, encashed, forfeited and all actions around leave of an employee shall be recorded in the official leave register (*electronic format - ESS or manual- employee leave files*) of the employer and such leave register shall be under the control of the Manager: Human Resources.
- 7.3.3. An employee is entitled to inspect his/her leave record at all reasonable times during office hours (GG 16047, Par16.1)
- 7.3.4. All leave must be applied for in a format or way of application as approved by the employer (electronic format and hard copy application only if there are technical difficulties with the Employee Self Service System)

**7.4. Leave counting for purposes of leave allocation:**

7.4.1. Absence on unpaid leave that amounts to 20 working days or more in any year of service shall not be regarded as service for purposes of leave allocation [and salary increment(s)]. (Extract from previous Collective Agreement, GG16047, 28/10/1994).

7.4.2. The impact of the above is that 20 working days or more unpaid leave [which amounts to one working month] will extend any allocation period for leave liability with the equal amount of days for which unpaid leave was granted in a year of service.

**7.5. Application for Leave:**

7.5.1. An employee shall apply for leave in the format required by the employer (*electronic medium and on hard copy only in instances where there are technical problems with the Employee Self Service System*).

7.5.2. The employer shall not unreasonably withhold approval / granting of leave.

7.5.3. All forms of leave will be applied for in advance, and in exceptional cases (*sick leave and other crisis situations*), sick leave may be completed as soon as is practical during or after the period of absence.

7.5.4. Leave will be applied for specific periods – no open ended leave applications may be considered.

**8. ANNUAL LEAVE:**

8.1. An employer shall grant an employee the following annual leave:

- Twenty-four (24) working days for (5) day worker, provided that the leave for an employee that works less than a 5-day week shall be calculated on a pro rata basis; and
- Twenty-seven (27) working days for a six (6) day worker

8.2. An employer should ensure that the employee has sufficient leave days available to cover the days of leave which are applied for.

8.3. An employer must grant annual leave not later than six months after the end of the annual leave cycle.

8.4. An employee is required to take annual leave as follows:

- A five-(5) day worker shall take a minimum of sixteen (16) working days leave; and
- A six (6) day worker shall take a minimum of nineteen (19) working days leave.

- 8.5. If an employee to whom annual leave has been granted is certified hospital or bed bound by a registered medical practitioner or dentist, or a traditional healer registered with a recognized professional council in terms of legislation due to illness after his vacation leave has commenced, that part of the vacation leave during which he/she was thus certified hospital or bed bound shall be converted into sick leave on submission of the prescribed certificate by such medical practitioner or dentist, or registered with a recognized professional council in terms of legislation.
- 8.6. If due to illness, an employee is unable to take vacation leave already deducted he/she shall be credited with an equal number of vacation leave days.
- 8.7. An employee must take annual leave not later than six months after the end of the annual leave cycle.
- 8.8. Employees have a right to take annual vacation leave, but the employer also has the right to indicate if the taking of leave may impact on operations. A reasonable compromise should be reached where leave should be taken in times that suit both the employee and the employer.
- 8.9. If (due to operational reasons) an employee cannot take vacation leave, then the vacation leave can be extended for a further 4 months.
- 8.10. Annual leave shall only be accumulated to a maximum of forty-eight (48) working days.
- 8.11. Any leave in excess of forty-eight (48) working days may be encashed should the employee be unable to take such leave, despite applying and because the employer refused to grant him such leave, as a result of the employer's operational requirements. If despite being afforded an opportunity to take leave, an employee fails, refuses or neglects to take the remaining leave due to him during this period, such leave shall fall away.
- 8.12. Inclusive of its conditions as contained in the Main Collective Agreement and employee should be entitled to encash ten (10) days leave per financial year.
- 8.13. Within six months of the leave cycle, an employee may not have more than 48 days' annual leave to his credit.
- 8.14. In the event of the termination of service, an employee shall be paid his leave entitlement in terms of this agreement, calculated in terms of the relevant provisions of the Basic Conditions of Employment Act 75 of 1997 as amended.

## 9. SICK LEAVE:

- 9.1. With effect from the new sick leave cycle, an employer shall grant an employee eighty (80) days' sick leave in a three (3) year leave cycle, provided that in respect of new appointments an employee may not take more than 30 days' sick leave in the first year of employment.
- 9.2. Sick leave shall be granted only in connection with an employee's absence from duty owing to illness, indisposition or injury.
- 9.3. In the case of nervous disorders, insomnia, debility or a similar less well-defined illness or indisposition, sick leave shall only be granted only if the municipality is satisfied that the employee's state of health:
- renders him/her unfit for work; and
  - does not arise from his/her failure to make use of vacation leave.
- 9.4. The employee shall be required to submit a medical certificate from a registered medical practitioner or any other person who is certified to diagnose and treat patients and who is registered with a professions council established by an Act of Parliament, if more than two (2) consecutive days are taken as sick leave, provided that the employer may request a sick leave certificate for every day of sick leave where there is evidence of abuse of sick leave.
- 9.5. An employee must at all times endeavor to attach medical certificates to sick leave applications with specific reference to sick leave for periods longer than two working days.
- 9.6. Sick leave on full pay and/or half pay in respect of which the afore mentioned certificate has not been submitted, may be granted for a maximum of twelve (12) working days during any calendar year of service and in respect of any further absence, vacation leave and/or leave without pay shall be granted.
- 9.7. If an employee must be absent from work for a longer period, a pro-forma certificate should be obtained from the doctor (e.g. before an operation / medical procedure) which will indicate the period of absence *even before* the sick leave is taken.
- 9.8. Leave applications shall also be completed and doctor's notes attached, even if an employee is using vacation or unpaid leave for purposes of sick leave (e.g. when sick leave has been depleted.)
- 9.9. When vacation or unpaid leave is used for purposes of sick leave, then this must be done with the employee's knowledge.

- 9.10. The employer is not required to pay an employee if an employee is absent on more than two occasions during an eight-week period, and on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury.
- 9.11. Polokwane municipality may at any time require an employee to submit himself/herself to an examination by a registered medical practitioner or dentist appointed by the employer and the cost of such examination shall be borne by the municipality.
- 9.12. The employer may, on the recommendation of a registered medical practitioner or dentist, or a traditional healer registered with a recognized professional council in terms of legislation, compel an employee who, in the Employer's opinion, is so indisposed that he/she cannot perform his/her duties properly, to take sick leave.
- 9.13. An Employee is entitled to additional sick leave as provided for in the Collective Agreement on Conditions of Service for the Limpopo Division; provided that the maximum period of sick leave to which an employee is entitled has been granted to him/her and owing to reasons of health he/she is not able to resume duty.
- 9.14. Sick leave shall not be granted to employees whose ill health has been caused by illegal activities.
- 9.15. An employee may not during any period of sick leave approved in terms of these conditions, resume service without the approval of a registered medical practitioner.
- 9.16. An employee who is absent from work due to illness must take all reasonable steps to notify the employer, director, manager or supervisor as soon as possible.

#### **10. FAMILY RESPONSIBILITY LEAVE:**

- 10.1. Family Responsibility leave applies to an employee who has been in employment with an employer for longer than four (4) months.
- 10.2. An employer, upon receipt of reasonable proof, shall grant an employee during each annual leave cycle at the request of an employee, a total of five (5) working days paid leave, which the employee is entitled to take, either when:
- 10.2.1. The employee's child is born;
  - 10.2.2. The employee's child is sick;
  - 10.2.3. The employee's spouse or life partner is sick;

- 10.2.4. In the event of death of:
  - 10.2.4.1. The employee's spouse or life partner; or
  - 10.2.4.2. The employee's parent, adoptive parent, parents-in-law, Grandparent, child, adopted child, grand child or sibling.

## **11. MATERNITY, ADOPTION AND SURROGACY LEAVE:**

- 11.1. An employee including an employee adopting a child under three (3) months, shall be entitled to receive three (3) months paid maternity or adoption leave with no limit to the number of confinements or adoptions. This leave provision shall also apply to an employee whose child is still-born.
- 11.2. When a child from zero (0) to four (4) years is adopted, adoption leave will be granted to an adopting employee. An employee is entitled to receive three (3) months paid adoption leave after the legal adoption procedure.
- 11.3. When a child older than four (4) years is adopted, adoption leave will be granted to an adopting employee. An employee is entitled to receive three (3) weeks paid adoption leave after the legal adoption procedure.
- 11.4. In case of Surrogacy a partner that, as per the Surrogacy Agreement, has been assigned to perform the role of the birthmother (receiving parent) shall be entitled to paid maternity leave of three (3) months.
- 11.5. In events referred to in 11.2, 11.3, and 11.4 above, the child's birth certificate and adoption order or Surrogacy Agreement must be submitted to the Employer.
- 11.6. When a female employee applies for maternity leave, a doctor's note will be attached to the application indicating the expected date of delivery.
- 11.7. An employee who goes off from duty for maternity leave will complete all documentation before the start of the maternity leave.
- 11.8. Maternity leave may commence four (4) weeks before confinement.
- 11.9. Once Maternity leave has commenced an employee may not return back to work within before the expected date of delivery and six weeks after the date of delivery, unless the employee so applies in writing and her application is supported by a doctor who certifies that she is in good health and may return to work.



- 11.10. To qualify for paid Maternity/Adoption/Surrogacy leave, an employee must have one (1) year's continuous service with the employer.
- 11.11. An employee who does not qualify for paid maternity leave must apply for unpaid Maternity leave and then claim benefits from the Department of Labour (Unemployment Insurance Fund / UIF). The payment of benefits will be determined by the Department of Labour (and not by the employer.)
- 11.12. A copy of the legal adoption approval forms should be attached to the application for leave for purposes of adoption.

## **12. PARENTAL LEAVE**

- 12.1. An employee who is a parent of a child, is entitled to at least ten consecutive days' parental leave.
- 12.2. An employee may commence parental leave on –
- 12.2.1. The day that the child is born; or
- 12.2.2. The date –
- (i) That the adoption order is granted; or
- (ii) That a child is placed in the care of a prospective adoptive parent by a competent court, pending the finalization of an adoption order in respect of that child, whichever date occurs first.
- 12.3. An employee must inform an employer in writing, unless the employee is unable to do so, of the date on which the employee intends to –
- 12.3.1. Commence parental leave
- 12.3.2. Return to work after parental leave
- 12.4. Notification in terms of subsection (12.3) must be given –
- 12.4.1. At least one month before the –
- (i) Employee's child is expected to be born; or
- (ii) Date referred in subsection (12.2.2.); or
- 12.4.2. If it is not reasonably practicable, as soon as it is reasonably practicable.
- 12.5. The payment of parental benefits will be determined by the Minister, subject to the provisions of the Unemployment Insurance Act, 2001 (Act No 63 of 2001).
- 12.6. This type of leave will be classified as Unpaid Leave for purposes of Leave Administration in the municipality; as the benefits can be claimed from the Department of Labour (Unemployment Insurance Fund / UIF); the payment of benefits will be determined by the Department of Labour (and not by the Municipality.)
- 12.7. An employee is not entitled to benefits unless he or she was in employment, whether as a contributor or not, for at least 13 weeks before the date of application for parental benefits.



### **13. SPECIAL LEAVE FOR INJURY ON DUTY CASES AND OCCUPATIONAL DISEASES:**

- 13.1. An employee who is absent from duty due to an injury arising out of his/her duties and occurring in the course thereof or owing to an illness contracted in the course of and as a result of his/her, shall be granted special leave on full pay for the period during which he/she is to perform his/her duties.
- 13.2. If the case falls within the ambit of the Compensation for Occupational Injuries and Diseases Act, 1993(Act 130 of 1993), the amount payable to him/her in terms of an Act by means of periodic payments of his/her monthly earnings, shall be paid over to the municipality, provided that the Employer has already advanced the amount to the employee.
- 13.3. Special sick leave may only be granted, if the Employer was notified of an accident or disease as required in terms of sections 38 and 68 of the Compensation for Occupational Injuries and Diseases (Act 130 of 1993) and that a satisfactory medical certificate from a registered medical practitioner is submitted to the Employer.
- 13.4. "Remuneration" as applicable in this paragraph (clause 10 of this policy) includes all forms of remuneration as envisaged in the Compensation of Occupational Injuries Act (Act 130 of 1993) and subject to all provisions of the Act.
- 13.5. Special sick leave may only be granted if the injury on duty has been approved by the Compensation Commissioner (Act 130 of 1993) in respect of 13.1. and 13.2. above.
- 13.6. If the period of special sick leave in terms of clause 13.3. above exceeds 365 calendar days the employer may take any decision it deems appropriate in line with "ill health" and/or incapacity provisions of the Labour Relations Act.

### **14. SICK LEAVE WITHOUT PAY**

- 14.1. An employee to whom the maximum period of full and half pay sick leave has been granted, may be granted sick leave without pay for not more than 250 working days in any cycle if the employer is satisfied that such an employee is not permanently incapacitated to resume his/her duties: provided where sick leave without pay exceeds 40 consecutive days, the employee must be examined by a registered medical practitioner appointed by the employer. The cost of such examination shall be borne by Polokwane Municipality.

## **15. SPECIAL LEAVE:**

When an employee applies for leave for study purposes, the employee must attach documentary proof for the reason that the leave is applied for.

### **15.1. Study Leave:**

15.1.1. Where an employee applies for leave for exam purposes, an exam roster in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has examination approval. The exam roster should explicitly mention the name of the employee.)

15.1.2. Study leave shall be granted to an employee on the basis of one (1) paid study leave for each day that an employee writes an examination plus two (2) days per paper for preparation for the examination in order to qualify for a formal qualification.

### **15.2. Leave of absence for obligatory training courses**

15.2.1. The fields of study must be relevant to the Local Government undertaking in accordance with the municipality's policy.

15.2.2. An employee attending a work-related training or training course shall be deemed to be on duty.

### **15.3. Additional leave for Post Graduate Studies:**

15.3.1. Special leave for a dissertation or thesis will be granted with full pay to a maximum of five (5) working days leave per qualification or for research.

### **15.4. Attending of classes during office hours:**

15.4.1. An employee who studies part-time or by means of correspondence in a field applicable to the employer and who, as a result of his/her studies, is required to be absent from his/her place of work, will be granted vacation leave and special leave on a 50:50 basis for the time he/she is released from duty, subject to the exigencies of the service.

15.4.2. If he/she does not have leave to his/her credit, unpaid leave will be granted.

### **15.5. Leave for Writing Tests**

15.5.1. The Municipality acknowledges that during the duration of obtaining a qualification employees are expected to write tests, in the middle of study terms, therefore Study leave shall be granted to an employee on the basis of one (1) paid study leave for each day that an employee writes a test.

15.5.2. Where an employee applies for leave for test purposes, a Timetable in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has been scheduled to write a test. The Test Timetable should explicitly mention the name of the employee.)

**15.6. Leave for attending Graduation Ceremonies**

15.6.1. The Municipality also acknowledges that upon completion of a qualification employees are invited to graduation ceremonies, therefore Study leave shall be granted to an employee on the basis of one (1) paid special leave for each day that an employee attends a graduation ceremony.

15.6.2. Where an employee applies for leave to attend a graduation ceremony, an invitation in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has been scheduled to attend a graduation ceremony. The invitation should explicitly mention the name of the employee.)

**15.7. To attend a court of tribunal**

15.7.1. On receipt of written subpoena, notice of set down or any similar notice an employee who is subpoenaed/called to attend a Court of Law or a Tribunal or any other similar forum as a witness shall be granted paid special leave that day.

15.7.2. In executing the provision of the above named clause subpoenaed employees shall inform their line Managers a day before to leave their work stations.

15.7.3. Any employee who is arrested and appears in court as a result of charges laid by his Employer and who is later acquitted shall be granted paid leave for the period of incarceration.

15.7.4. An employee who is incarcerated but not convicted for a period of twelve(12) months shall be granted unpaid leave in his/her position for the said period.

**15.8. Sports, arts and culture events**

An employee who is selected by recognized amateur or professional sports, art and culture association, which association may qualify for special leave provided that such association be recognized by NOCSA or the Council of Sport of South Africa and the Council for Art and Culture.

**15.9. Quarantine and isolation under medical instructions**

Where a registered Medical Practitioner has placed an employee under quarantine/ in isolation in terms of the Public Health Act, 1977 (Act 63 of 1977) or any Regulations in force there under, such an employee shall be granted paid special leave, provided that the medical certificate has been submitted.

**15.10. Application for Special Leave**

15.10.1. Operational requirements must be taken into consideration

15.10.2. Supporting documents must be provided with the application

15.10.3. Application for special leave, must be approved by the Municipal Manager or his delegate and shall be considered in a bona fide manner; and shall not be unreasonably refused.

**16. SPECIAL LEAVE FOR ADHOC INSTANCES:**

Special leave with full pay may be granted to an employee when the employee:

16.1. After the Council has given permission the employee may become a member of the reserve police, performs police duties in terms of Sec 48 of the South African Police Act, 1995 (Act 68 of 1995).

16.2. Partake in a bonafide sport activity at provincial and higher level in which case the special leave will not exceed three (3) working days per event and these three (3) days may include travelling time.

16.3. Special leave on full pay will be granted to an employee who has been arrested or has to appear in court on a criminal charge and is later acquitted or has the charges withdrawn.

16.4. Gives evidence in a court case after a subpoena and/or summons has been served on him/her.

**17. LEAVE FOR PURPOSES OF TIME OFF IN LIEU OF OVERTIME**

17.1. Leave for purposes of time off in lieu of overtime may be granted where an employee worked overtime without any compensation; provided that such overtime is authorised in terms of the Municipality's System of Delegation.

17.2. Overtime worked as provided for in paragraph 17.1 shall be captured on an overtime schedule, specifying the date, hours of overtime worked and hours taken, which schedule must be signed by the employee and his/her supervisor.

- 17.3. Application for leave for purposes of time off in lieu of overtime shall be submitted as provided for in paragraph 7.5. Such applications must be accompanied by the schedule referred to in paragraph 17.2.
- 17.4. Where an employee is allocated special leave as payment for overtime worked, then the special leave should be allocated to the employee after converting the hours to overtime values in line with the Municipality's Overtime Policy.
- 17.5. Leave in lieu of overtime cannot be encashed and shall be forfeited if not taken within the calendar year which the employee became entitled to the leave, it shall be forfeited on the last day of such calendar year.

## **18. ADDITIONAL LEAVE FOR LONG SERVICE RECOGNITION**

- 18.1. An employee who was appointed after 1 July 1986 shall qualify for the following additional leave as recognition for long service at the same employer, which shall be only on the date on which the various periods of continuous service have been completed;

After:

**5 years of service – 5 working days**  
**10 years of service – 15 working days**  
**15 years of service – 25 working days**  
**20 years of service – 35 working days**  
**25 years of service – 35 working days**  
**30 years of service – 35 working days**  
**35 years of service – 35 working days**  
**40 years of service – 35 working days**  
**45 years of service – 35 working days**

- 18.2. An employee who was appointed before 1<sup>st</sup> of July 1986 shall qualify for long service recognition on an individual "contractual to holder" principle on the 5% bonus scheme as was applicable up to 1<sup>st</sup> July 1986.
- 18.3. The long service recognition leave may be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter subject to budget provisions.
- 18.4. When an employee terminates services, long service recognition leave balance does not form part of the overhead maximum of 48 days leave that may be paid out as per the Main Agreement.
- 18.5. Long Service recognition will be pro-rated for employees on termination of service.

## **19. LEAVE WITHOUT PAY/UNPAID LEAVE**

Leave without pay as approved by the Municipal Manager or his delegate, which approval shall not be unreasonably withheld, shall be subject to the following conditions:

- 19.1. Leave without pay shall be granted when all available vacation and/or sick leave has been exhausted. Leave without pay shall also be granted if an employee took leave without his/her Manager's approval even if the employee has accumulated leave days available.
- 19.2. For the period of leave without pay the Employer shall continue to make Employer's contribution only to the employee's Group life insurance scheme, pension and medical aid fund provided that the employee shall be liable for his own contributions to the said funds, as well as payments in terms of a Collective Agreement.
- 19.3. An employee may apply for unpaid leave on the same format that other types of leave are applied for; the reasons for the unpaid leave must be provided on the application.
- 19.4. Unpaid leave more than 20 working days in a leave cycle extends the allocation date for new leave accruals; [Example: Where an employee is appointed on 1<sup>st</sup> of February, but the employee was absent without payment for the period middle April to middle May for a period of 20 working days, then the employee's date of allocation will be moved to March annually. The service year in this instance will thus run from beginning February to end February the next year, which may sound like a 13-month employment period, but it is not as the employee was absent without pay for one month.]
- 19.5. Unpaid leave must be captured on an employee's leave record and must also be informed to the payroll to ensure that the necessary adjustments to salary payment(s) are made.

## **20. UNAUTHORISED ABSENCE FROM DUTY**

- 20.1. Unauthorised absence from duty shall, without prejudice to the rights of the employer with regard to disciplinary measures against an employee, be deemed to be special leave without payment, unless the Municipality decides otherwise.

## **21. RESUMPTION OF DUTY BEFORE LEAVE HAS EXPIRED**

21.1. Except with the Municipality's approval in terms of delegated authority, an employee shall not resume duties before the leave granted to him/her has expired.

## **22. LEAVE OF ABSENCE GRANTED IN EXCESS**

22.1. When more paid leave of absence that has been granted to an employee inadvertently but in good faith, and been taken by him / her, the leave granted in excess may be deducted from leave which may accrue to him / her or the value thereof may be claimed from him / her, whichever the employee may prefer.

## **23. TERMINATION OF PERMANENT SERVICE AND RE-EMPLOYMENT**

23.1. If a permanent employee whose service is terminated for any reason whatsoever is re-employed, such re-employment shall for leave purposes be regarded as a new appointment.

## **24. IMPLEMENTATION OF THE POLICY**

This policy will be implemented and effective once approved by Council.

## **25. COMMUNICATION**

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

## **26. POLICY REVIEW**

This policy will be reviewed annually and revised as necessary.

## **27. PENALTIES**

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

## **28. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**ORGANISATIONAL AND SENIOR  
MANAGERS PERFORMANCE  
MANAGEMENT POLICY**

**2024/2025**



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## GLOSSARY OF TERMS

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

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

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

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

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

### ***Performance Planning***

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

### ***Performance Monitoring***

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

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

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

### ***Performance Measurement***

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

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

### ***Performance Analysis***

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

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

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

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

### ***Performance Reporting and Review***

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

### ***In-year Performance Reporting and Review***

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

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



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

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

### ***Annual Performance Reporting and Review***

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

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

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

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

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

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

### ***Summary of Various Performance Reporting Requirements***

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

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

## 8. THE AUDITING OF PERFORMANCE MEASURES

### *The role of Internal Audit In -terms of Performance Management*

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

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

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

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

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

- **Functionality**

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

- **Compliance**

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

- **Reliability**

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

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

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

### **Audit and Performance Audit Committee**

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

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

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

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

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

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

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

### **Performance Investigations**

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

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

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

## **9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT**

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

### ***Annual Review of the Performance Management System***

One of the functions of the audit and performance audit committee is to on at least an annual basis, review the PMS of the Municipality. It is envisaged that after the full cycle of the annual review and reporting is complete and the audit and performance audit committee has met as required; the Internal Audit unit will compile a comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this Policy and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the audit and performance audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to Council for consideration.

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

#### ***Integrating PMS with the Council's Existing Management Cycle***

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

#### ***Institutional Arrangements***

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

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

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

## **10. STANDARD OPERATING PROCEDURE (SOP)**

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

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

## **11. TECHNICAL INDICATOR DESCRIPTION MANUAL**

Polokwane Municipality must develop the Technical Indicator Description Manual for each indicator that appears in the institutional/municipal scored as captured in the Top-Layer Service Delivery and Implementation Plan. The purpose of the Technical Indicator Description Manual is to explain how the collection, calculation and interpretation of the data of each indicator is to be done. The Technical Indicator Description Manual must be aligned to the Top-Layer SDBIP and



must have same indicator reference number and should reflect the financial year that the indicators are applicable to be measured.

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

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

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

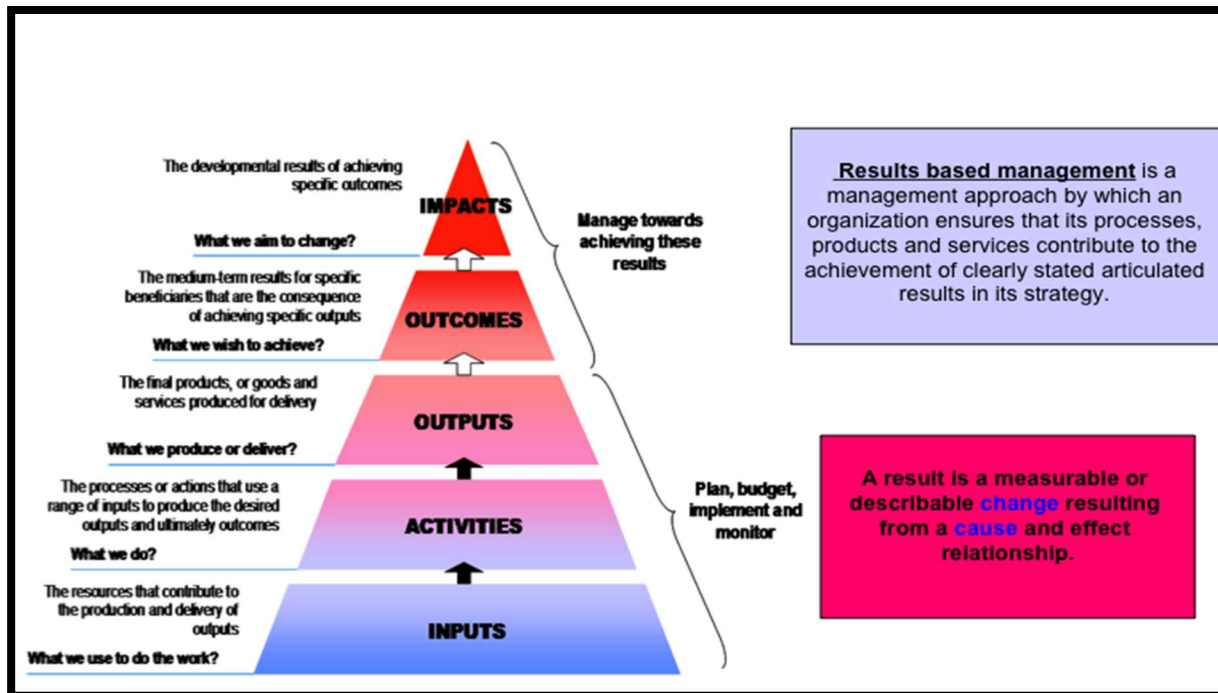
- ✓ The Integrated Development Plan (IDP) will be interpreted in the Organizational, Departmental and Strategic Business Unit Scorecards;
- ✓ Employees of the Municipality will collectively execute their obligation towards the community as expressed in the Integrated Development Plan (IDP) and Organizational, 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.
<b>Municipal Manager</b>	<p>It is the responsibility of the Municipal Manager to ensure the effective and efficient design, development and implementation of an Organizational and Employee Performance Management System. The Municipal Manager will accept overall accountability for service delivery of the agreed performance indicators as stipulated in the IDP and SDBIP of the organization, and will be accountable to the Executive Mayor at agreed intervals.</p> <p>In addition, the Municipal Manager is responsible for ensuring proper monitoring, assessment and review of the Organizational and Employee Performance Management System. The Municipal Manager will delegate responsibility and accountability to Directors and Managers.</p>
<b>Directors/Senior Managers</b>	<ul style="list-style-type: none"> <li>✓ Taking responsibility for the standard of his/her own performance by improving output quality</li> <li>✓ Developing and implementing action plans so that set objectives can be achieved</li> <li>✓ Asking their manager for information, help or advice to assist them in meeting set targets</li> <li>✓ Making suggestions on how they can improve their performance</li> </ul>
<b>Human Resources</b>	The Human Resource Department is responsible for providing secretariat services during the individual performance assessments of senior managers.
<b>Strategic Planning, Monitoring &amp; Evaluation</b>	<p>The Strategic Planning, Monitoring &amp; Evaluation oversees and provides guidance on the development and implementation of the Municipal Organizational and Employee Performance Management System of senior managers.</p> <p>Strategic Planning, Monitoring &amp; Evaluation is the custodian of Performance Management on behalf of Senior Management and has to work closely with the Human Resources Unit.</p>
<b>Assessment/Evaluation</b>	Assessment/Evaluation panels are involved in the assessment of employees' performance. Section 27(4)(d) of Regulation 805 provides details on the



<b>Role Player</b>	<b>Role</b>
<b>Panel and Moderator</b>	Assessment/Evaluation panels to conduct the assessment of the Municipal Manager and Managers directly accountable to the Municipal Manager.
<b>Internal Audit</b>	<p>Internal Audit is responsible for conducting an independent evaluation of performance assessments. To this effect Internal Audit members must sit in the assessments as an observing member to validate the information included in employee Portfolio of Evidence (PoE).</p> <p>The Internal Audit is responsible for reviewing performance evidence and quality assurance. They should also actively participate in the final review sessions and approval of incentives with the Performance Audit and Remuneration Committee.</p>
<b>Audit and Performance Audit Committee</b>	Provide Independent audit on legal compliance. Audit of municipal performance and communicate directly with the Council, Municipal Manager as well as internal and external auditors
<b>Municipal Public Accounts Committee (MPAC)</b>	The role is to provide oversight over the activities of Council as the Municipal Council is vested with both legislative and executive authority. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

**Table 2: Individual Performance Management Phases**

<b>Phases</b>	<b>Explanation</b>
<b>Planning/Review:</b>	It encompasses the compilation of Performance Agreements inclusive of Performance and Personal Development Plans.

Phases	Explanation
	<p>Employee Performance Plans inclusive of the Performance Scorecard should relate back to Municipal goals (Ultimate Outcomes) and objectives Intermediate Outcomes). These planning documents should be used to design the Performance Plan (Performance Scorecard) of Municipal employees. For each individual employee their individual Performance Plans are informed by the priorities and targets set for their managers and their own tasks and accountabilities. This process allows for cascading strategies down to the level of each individual Employee Performance Plan.</p>
<p><b>Monitoring and Assessment:</b></p>	<p>This phase relates to the assessment of performance and periodic review of progress to achieve set targets. Employee performance monitoring encompasses a continuous review of the levels and standards of activities performed by an employee.</p> <p>The process of assessment is used to measure performance via data through scoring to determine if targets were met. Performance is therefore assessed against the achievement or non-achievement of targets. Assessment of performance requires employees and managers to look at inputs (resources, financial perspective), activities/processes (functions, service standards perspective), outputs (results, service delivery perspective) and outcomes (impact, customer satisfaction, and growth, quality of life) to determine the impact that an employee made towards the achievement of Municipal service delivery.</p> <p>During the assessment process an overall rating is calculated by using the applicable assessment-rating calculator. The rating is used to determine future actions, i.e. under-performance may result in additional coaching/training or disciplinary action, whilst exemplary performance may result in incentives as a reward for excellence.</p>
<p><b>Reporting and Coaching:</b></p>	<p>Reporting on findings of the assessment process occurs in this phase. Based on findings, a coaching and/or disciplinary action plan is to be</p>

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

**22. PLANNING AND REVIEW**

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

The process of planning relates to the establishment of performance contracts, performance agreements and performance plans to be used to measure the performance of individual

employees. These documents should be linked to the Organizational, Departmental and Business Units Scorecards, IDP, SDBIP and LSDBIP of the Municipality based on the employee level.

### **23. PERFORMANCE CONTRACTS**

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

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

- ✓ The signing of a separate Performance Agreement within sixty (60) calendar days after assumption of duty and annually within one month after the commencement of the new financial year.
- ✓ The submission of original or certified copies of academic and professional qualifications and proof of previous employment.
- ✓ The signing of the code of conduct as stipulated in Schedule 2 of the Municipal Systems Act.
- ✓ The disclosure of all financial interest on the date of assumption of duty and annually within one month after commencement of the financial year (June).

### **24. PERFORMANCE AGREEMENTS**

Applicable to the Municipal Manager and Managers directly accountable to the Municipal Manager, Chapter 3 of Regulation 805 provides specific detail on the Performance Agreements for Municipal Managers and Managers directly accountable to Municipal Managers. In addition, the Municipal Systems Act (MSA), Section 57 (1)(b) and (2)(a) states that Performance

Agreements of the applicable managers are concluded annually and within one month after the beginning of the new financial year.

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

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

Every senior manager should know what exactly constitutes a 100% (fully effective) performance, clearly specifying quantifiable measures. In order to measure performance, it is important that baselines be allocated to KPAs and KPIs in the scorecard. Baselines are previous measurements of achievements against KPAs or KPIs and provide an opportunity to track whether employee performance has improved over time.

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

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

The Municipal Manager and Managers directly accountable to the Municipal Manager, evidence should be confirmed by internal audit. In terms of other employees, a set of standards must be compiled, that submitted evidence should comply with.

Such standards may include that evidence:

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

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

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

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

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

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

- ✓ Client Orientation and Customer Focus

## 25. People Management and Empowerment Financial Management **PERSONAL DEVELOPMENT PLANS**

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

Development Plan must also be developed for each employee in the employment of the Municipality and be attached to the Performance Plan of each employee.

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

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

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

An example of a Personal Development Plan is provided.

***Table 5: Personal Development Plan***



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

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

## 26. MID-YEAR REVIEW

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

Any amendments must be reflected on the amended Performance Plan. Senior Managers will be assessed during the third and fourth quarter on the amended Plan. Records of the amended scorecards must be signed off.

## **27. PERFORMANCE MONITORING AND ASSESSMENT**

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

## **28. DATA MANAGEMENT AND PORTFOLIO OF EVIDENCE DEVELOPMENT**

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

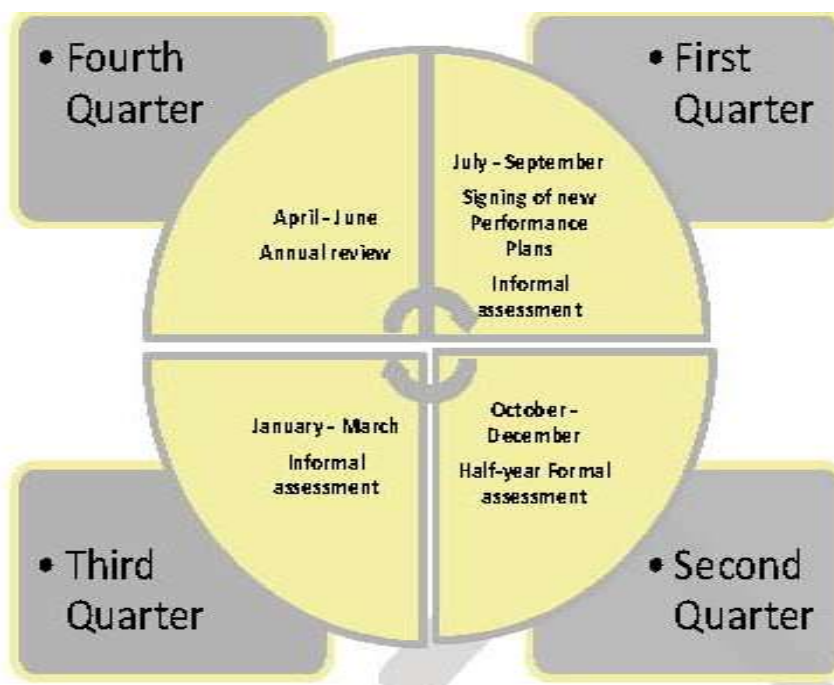
- ✓ Determine the data to be collected for each performance element, the source of the data and whether to collect all the data or just a sample (already clearly defined in the Performance Plan of each employee);
- ✓ Determine when to collect the data (frequency); and
- ✓ Review existing data and create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

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

## 29. SCHEDULE PERFORMANCE ASSESSMENTS

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

**Figure 2: Performance Schedules**



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

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

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

### 30. PERFORMANCE ASSESSMENTS

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

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

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

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

**Table 6: Rating Indications**

Rating	Description	% Score
1	Unacceptable performance where performance does not meet the standard expected for the job	%
2	Performance not fully effective and below standard as required for key areas of the job	67 – 99%

<b>3</b>	Fully effective performance where performance meets the standards expected in all areas of the job	100 – 132 %
<b>4</b>	Performance significantly above expectation and higher than the standard expected in the job	133 – 166%
<b>5</b>	Outstanding performance where performance far exceeds the standard expected of an employee at that specific level	167%

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

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

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

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

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

### **31. REPORTING AND COACHING**

Reports on individual performance assessments are to be compiled and submitted to the Municipal Manager, Executive Mayor, Audit and Performance Audit Committee and Council.

- **Reporting**

Once the assessment process is concluded a report on the findings for each employee is to be compiled. Reports should be compiled on the performance assessments, scores allocated and final ratings. This is required so as to ensure that the Municipality keeps record of all performance assessments. This information is to be used:

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

### **32. MANAGE POOR PERFORMANCE**

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

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

- ✓ Provide systematic remedial or developmental support to assist the individual to improve his or her performance
- ✓ If performance does not improve after appropriate performance counseling, the necessary guidance and support and reasonable time has been allowed for improvement, the

Employer may consider steps to terminate the contract of employment of the individual on grounds of incapacity to carry out his/her duties.

### 33. EVALUATION AND REWARD

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

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

**Table 7: Assessment Bonus Sliding Scale**

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

The objectives of an incentive scheme are to:

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

### **34. APPEALS AND DISPUTES**

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

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

- ✓ In the case of the Municipal Manager, the MEC for Local Government in the Province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC.
- ✓ In the case of Managers directly accountable to the Municipal Manager, a member of the Municipal Council, provided that such member was not part of the Assessment/Evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

### **35. EXIT/TERMINATION/CANCELLATION CLAUSE**

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

The employment contract may be terminated:



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

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

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

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

### **36. THE PERFORMANCE AUDIT AND REMUNERATION COMMITTEE**

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

The results of the formal year-end review are to be audited to ensure that all evidence is authorized and relevant, and to make recommendations on the improvement of the system. The audit is conducted internally by the Performance Audit and Remuneration Committee.

### **37. PRINCIPLES OF GOOD ASSESSMENT**

The following principles should apply to ensure successful assessment:

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

### **38. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**FINAL**  
**PROPERTY RATES POLICY**

**2024/2025**

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## **PREAMBLE**

**WHEREAS** section 229 of the Constitution of the Republic of South Africa empowers municipalities to levy property rates, subject to national legislation;

**AND WHEREAS** section 2 of the Local Government: Municipal Property Rates Act No. 6 of 2004 is the national legislation that empowers a municipality to levy a rate on property in its area;

**AND WHEREAS** in terms of section 3(1) of the Local Government: Municipal Property Rates Act No. 6 of 2004 the council of a municipality must adopt a rates policy consistent with the Act on the levying of rates on rateable property in the municipality;

**AND WHEREAS** section 3(2) of the Local Government: Municipal Property Rates Act No. 6 of 2004 prescribes what issues are to be addressed in the rates policy;

**AND WHEREAS** any exemptions, rebates or reductions provided for in the Rates Policy must, in terms of section 3(5) of the Local Government: Municipal Property Rates Act No. 6 of 2004, comply and be implemented in accordance with a prescribed national framework;

**NOW THEREFORE** the Council of the Polokwane Municipality has adopted the Policy as set out hereunder: -

## 1. DEFINITIONS

For the purpose of this Policy any word or expression to which a meaning has been assigned in the Act, shall bear that same meaning in this Policy, and unless the context indicates otherwise:

<b>“Act”</b>	means the Local Government: Municipal Property Rates Act, No. 6 of 2004 (Act No. 6 of 2004) as amended;
<b>“Agricultural property”</b>	means a property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game includes the remainder of town. Farm properties and agricultural holdings smaller than 5 hectare may be categorised as residential.
<b>“Annually”</b>	means once every financial year;
<b>“Bona fide farmer”</b>	means a farmer who is carrying on farming operations where his/her actions as well as his/her intentions are genuine intentions to develop land as a farming proposition.
<b>“Business and commercial”</b>	means the activity of trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
<b>“Category”</b>	(a) in relation to property, means a category of properties determined in terms of Section 5 of this policy; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 6 of this policy.
<b>“Child-headed household”</b>	means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.
<b>“Exemption”</b>	in relation to the payment of a rate, means an exemption granted by a Municipality in terms of Section 15 of the Act;

<b>“Illegal use”</b>	means a use that is inconsistent with or in contravention with the permitted use of the property.
<b>“Industrial”</b>	means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved. This may include grain silos, factories and any office or other accommodation on the same property, the use of which is incidental to the use of such property.
<b>“Indigent”</b>	means an indigent person referred to in the Indigent Support Policy of the Polokwane Municipal Council
<b>“Multiple purposes”</b>	in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Act.
<b>“Municipal properties”</b>	means those properties of which the municipality is the registered owner.
<b>“Mining”</b>	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto; as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);
<b>“Owner”</b>	<p>(a) in relation to a property referred to in paragraph (a) of the definition of “<i>property</i>”, means a person in whose name ownership of the property is registered;</p> <p>(b) in relation to a right to in paragraph (b) of the definition of “<i>property</i>”, means a person in whose name the right is registered;</p> <p>(bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;</p> <p>(bB) <i>in relation to a share block company</i>, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);</p> <p>(bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;</p> <p>(c) in relation to a land tenure right referred to in paragraph (c) of the</p>

	<p>definition of “<i>property</i>”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or</p> <p>(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “<i>property</i>”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “<i>publicly controlled</i>”:</p> <p>Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:</p> <ul style="list-style-type: none"> <li>(i) a trustee, in the case of a property in a trust excluding state trust land;</li> <li>(ii) an executor or administrator, in the case of a property in a deceased estate;</li> <li>(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;</li> <li>(iv) a judicial manager, in the case of a property in the estate of a person under judicial management;</li> <li>(v) a curator, in the case of a property in the estate of a person under curatorship;</li> <li>(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;</li> <li>(vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it;</li> <li>(viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or</li> <li>(viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;</li> </ul>
<p><b>“Permitted Use”</b></p>	<p>Means the limited purposes for which the property may be used in terms of:</p> <ul style="list-style-type: none"> <li>(a) any restrictions imposed by - <ul style="list-style-type: none"> <li>I. A condition of title.</li> <li>II. A provision of the Polokwane applicable Town Planning or land use scheme as amended from time to time.</li> <li>III. Any legislation applicable to any specific property or properties.</li> </ul> </li> </ul>



	(b) any alleviation of any such restrictions;
<b>“person”</b>	includes an organ of state;
<b>“Pensioner”</b>	refers to a person who is at least 60 years of age and is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;
<b>“Primary Property”</b>	means the primary residential property where a person has his or her permanent principal home to which he or she returns or intends to return.
<b>“Property”</b>	means: <ul style="list-style-type: none"> <li>(a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;</li> <li>(b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;</li> <li>(c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or</li> <li>(d) public service infrastructure</li> </ul>
<b>“Public benefit organisation”</b>	means property owned by public benefit organisations and used for any specific public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 3 (education and development) of part 1 of the Income Tax Act
<b>“Private open space”</b>	means land that is owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, private park, cemetery or nature area or roads.
<b>“Publicly controlled”</b>	means owned by or otherwise under the control of an organ of state, including: <ul style="list-style-type: none"> <li>(a) a public entity listed in the Public Finance Management Act 1999 (Act No 1 of 1999);</li> <li>(b) a municipality; or</li> <li>(c) a municipal entity as defined in the Municipal Systems Act 32 of 2000</li> </ul>
<b>“Public service infrastructure”</b>	means publicly controlled infrastructure of the following kinds: <ul style="list-style-type: none"> <li>(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;</li> </ul>

	<p>(b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;</p> <p>(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;</p> <p>(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;</p> <p>(e) railway lines forming part of a national railway system;</p> <p>(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;</p> <p>(g) runways aprons and the air traffic control unit at national or provincial airports; including the vacant land know as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;</p> <p>(h) breakwaters, sea wall, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising of lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;</p> <p>(i) any other public controlled infrastructure as may be prescribed; or</p> <p>(j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);</p>
<p><b>“public service purposes”,</b></p>	<p>in relation to the use of a property, means property owned and used by an organ of state as-</p> <p>(a) Hospitals and clinics;</p> <p>(b) schools, pre-schools, early childhood development centres or further education and training colleges;</p> <p>(c) national and provincial libraries and archives;</p> <p>(d) police stations;</p> <p>(e) correctional facilities; or</p> <p>(f) courts of law,</p> <p>but excludes property contemplated in the definition of "public service infrastructure";</p>
<p><b>“Place of Worship”</b></p>	<p>means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is: -</p> <p>(a) registered in the name of a religious community;</p> <p>(b) registered in the name of a trust established for the sole benefit of a religious community; or</p> <p>(c) subject to land tenure right</p>

<b>“Rate”</b>	means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;
<b>“Rateable property”</b>	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;
<b>“Ratio”</b>	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;
<b>“Rebate”</b>	in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property;
<b>“Reduction”</b>	in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;
<b>“Residential property”</b>	means a property included in a valuation roll in terms of section 48(2)(b) as residential in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Act;
<b>“Organ of State”</b>	means an organ of state as defined in section 239 of the Constitution.

## **2. BACKGROUND**

### **2.1 INTRODUCTION**

The Local Government Municipal Property Rates Act (Act no 6 of 2004) as amended from time to time requires a municipality to develop and adopt a rates policy consistent with the Act on the levying of rates on rateable property in the Municipality.

Property rates are the most reliable source of revenue for the Municipality. Services financed from rates include installation and maintenance of streets, roads, sidewalks, lighting, and storm water drainage facilities, building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration such as computer equipment, stationery, and costs of Governance, such as Council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

The Council has resolved, in compliance with the provision of the Act, to impose a rate and as a consequence, this rates policy has been developed within the parameters of the applicable legislation relating to property rates.

### **2.2 GUIDING PRINCIPLES**

The following principles will ensure that the Municipality treats persons liable for rates equitably in terms of the Act:

- (a) Ratepayers with similar properties will pay similar levels of rates
- (b) The ability of ratepayers to pay their rates will be taken into account by the Council in dealing with the indigent's ratepayers. The municipality will provide relief measures through exemptions, reduction and rebates.
- (c) The determination of the tariffs and the levying of rates must allow the Council to promote local, social and economic development.

## **2.3 STRATEGIC FOCUS**

In determining the rates, exemptions, rebates and reductions, the Council may consider the following:

- (a) the impact of rates on the community,
- (b) the impact of rates on business
- (c) the Integrated Development Plan (IDP) of Council
- (d) the impact of rates on the Local Economic Development (LED) strategy of the Council
- (e) when determining the rates on properties the following aspects must be taken into account namely:
  - (i) the effects of rates on the poor, including appropriate measures in order to alleviate the rates burden on them; and
  - (ii) the effect of reaching the objectives set out in paragraph 2.4 of this policy.
- (f) in developing or amending this policy, the Council commits itself to a process of community participation as envisaged in section 4 of the Act and chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA). In addition to the requirements laid down in the MSA, the Council will engage interested parties and structures, such as ratepayer organisations, directly in the process of community participation. In addition, use will be made of established community consultation structures, such as Ward committees, to ensure thorough participation with regard to the afore-mentioned process.

## **2.4 OBJECTIVES OF THE POLICY**

The key objectives of the policy are to:

- (a) ensure that all owners of rateable 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

### **3. ANNUAL OPERATING BUDGET AND POLICY REVIEW**

The Council must annually consider the levying of rates and determine the rate in the rand during the budget process when it is tabled in the council in terms of section 16 of the Municipal Finance Management Act and if necessary, amend its rates policy. Any amendments to the rates policy must take into account public comments and inputs.

In determining the level of increases in the rates, the criteria to be applied include the following:

- (a) The inflation rate as indicated by the consumer price index;
- (b) Take into consideration the medium term budget growth factors as determined by National Treasury guidelines.

### **4. LEVYING OF RATES**

Rate to be levied on all rateable properties in line with this Policy

#### **4.1 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.

#### **4.2 PERIOD FOR WHICH RATES MAY BE LEVIED**

In terms of Section 12 of the Act,

- (a) When levying rates, a municipality must levy the rate for a financial year and the rate lapses at the end of the financial year for which it was levied.
- (b) The rates levied for a financial year may not be increased during the financial year only as provided for in Section 28(6) of the Municipal Finance Management Act.

#### **4.3 THE EFFECTIVE DATE OF THE RATES POLICY:**

This rates policy takes effect from 1 July 2024 and subject to review on an annual basis.

#### **5. DIFFERENT CATEGORIES OF PROPERTIES**

5.1 Subject to section 19 of the Act, in terms of the criteria set out in this rates policy, levy different rates for different categories of rateable property, as determined in section 8 subsection (2) and (3) of the MPRA, the categories were determined according to the following criteria: -

- 5.1.1 actual use of the property;
- 5.1.2 permitted use of the property;
- 5.1.3 a combination of 5.1.1 and 5.1.2

In order to create certainty and to ensure consistency, the criteria listed above shall be applied in the following manner:

- Polokwane municipality considered the actual use on the compilation of the valuation roll.
- if, for whatever reason, the actual use of a property cannot be determined in terms of subparagraph (5.1.1), the permitted use thereof shall then be determined in order to appropriately categorise such property.
- Properties used for multiple purposes shall be categorised and rated in a manner provided in section 9 (2) of the Act and the combination of actual and permitted use will be considered.

5.2. The Council has determined the following categories of property in line with section 8(2) of the Act for purposes of rating:

- (1) residential properties
- (2) industrial properties
- (3) business and commercial properties
- (4) agricultural properties;
- (5) properties owned by an organ of state and used for public service purposes;
- (6) municipal properties
- (7) public service infrastructure;
- (8) mining
- (9) private open space
- (10) multiple purposes;
- (11) places of worship
- (12) properties owned by public benefit organizations and used for specified public benefits activities
- (13) non-permitted use

5.3 The Council has determined the following ratios relevant to each category to the rate on residential properties:

<b>Rating Category</b>	<b>Ratio</b>
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

## **6. CATEGORIES OF OWNERS OF PROPERTY AND CATEGORIES OF PROPERTIES FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES.**

The Council has determined the following categories of owners of property or categories of properties in terms of section 15 of the Act.

- (a) Residential
- (b) Indigent Owners and Child Headed Households
- (c) Pensioners
- (d) Owners of Business or Industrial Property with high market values



## **6.1 RESIDENTIAL**

In addition to the impermissible rate on the first R15 000 of the market value of residential in terms of section 17(1)(h) of the Act a further reduction may be granted by Council during the annual budget as per Tariff Schedule.

## **6.2 INDIGENT OWNERS AND CHILD HEADED HOUSEHOLDS**

The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low-income sectors of the community within the Municipality. Indigent owners and child headed households are exempted from payment of rates.

## **6.3 PENSIONERS**

The aim of this rebate is to alleviate the burden on pensioners who have fixed income and limited resources. Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out in below:

Pensioners may be granted a rebate on their Primary Property, from the date the applicant qualifies.

The applicant must meet the following criteria:

- (a) he or she must produce a valid South African bar coded identity document;
- (b) where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;
- (c) not be in receipt of an indigent assessment rate rebate;
- (d) A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependants.

## **6.4 OWNERS OF BUSINESS OR INDUSTRIAL PROPERTY WITH HIGH MARKET VALUES**

Properties used for business or industrial purposes whose improved market value is R50 000 000 and above may receive rebates as approved by Council from time to time currently as follows.

Market Value R 50 000 000 – R 99 999 999            2% rebate

Market Value R 100 000 000 – R 499 999 999	5% rebate
Market Value R 500 000 000 and above	10% rebate

### REQUIREMENTS FOR EXEMPTIONS, REDUCTIONS AND REBATES

#### General requirements:

An application for rebates, exemptions and reductions on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done by the municipality for registration or renewal. A once-off application must be submitted with the implementation of every new valuation roll. The applicant applies only once for the reduction and it remains valid for the duration of the valuation roll. The municipality may at its own discretion request the applicants to renew applications.

Confirm the aforementioned details by means of a sworn affidavit.

Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from the date of inception of the rebate.

Should any incorrect information be furnished in the application form property rates will be levied at the normal tariff.

#### Exemptions may be subject to the following conditions:

- (a) Application must be made in writing in the prescribed format and will be valid for duration of validity period of valuation roll;
- (b) Applicants must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962);
- (c) The Municipal Manager or his/her nominee must approve all applications;
- (d) The Council retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false;
- (e) If during the currency of any financial year, any such land or building is used for any purpose other than the purpose so exempted, the Council shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use.

#### The rebate will lapse:

- (a) On alienation of the property; or
- (b) If any such land or building is used for any purpose other than the purpose so exempted;  
On expiry of validity period of valuation roll

## **7. SPECIAL RATING AREAS**

7.1 The Council may by resolution establish special rating areas and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.

7.2 Any exclusion, exemption, reduction or rebate granted in terms of this policy does not affect the additional rate payable by the owner in a Special Rating Area.

## **8. LIABILITY FOR RATES:**

### **8.1 PROPERTY RATES PAYABLE BY OWNERS**

- (a) Rates levied on a property must be paid for by the owner of the property.
- (b) Joint owners are jointly and severally liable for payment of rates on the property.
- (c) The municipality will deliver monthly accounts to the latest address on the municipality's record, however Rates payers remains liable for the payment of the rates whether or not an account has been received and if the account was not received the onus shall be on the rate payer concerned should make necessary enquiries with the municipality.
- (d) Rates raised as a charge based on administrative error can be corrected to a maximum of five years, limited to two years of the previous valuation roll.

### **8.2 SECTION 78 APPLICATIONS**

An application fee is payable to review the value of a property in terms of section 78 of the Act

### **8.3 METHOD AND TIME OF PAYMENT:**

Council shall recover an annual levy payable:

- (a) On a monthly basis in twelve (12) equal instalments on or before the due date as determined by council; or
- (b) Single or one (1) annual amount, as may be agreed to with the owner of the property on or before the due date as determined by council
- (c) From the owner as a whole on the billing date (No prorata in the case of transfer of property and the registration date).
- (d) Interest on arrear rates shall be charged at the rate determined by council from time to time.

### **8.4 PAYMENT AND RECOVERY OF RATES:**

Payment and recovery of rates shall be in accordance with Council's Credit Control and Debt Collection policy, section 28 and 29 of the Act and relevant By-laws.

## **8.5 FREQUENCY OF VALUATIONS**

The Municipality will every five years prepare a new valuation roll by means of a general valuation of all rateable property within the Municipality.

At least one supplementary valuation roll will be prepared during a financial year as required by the Act.

## **9. SHORT TITLE**

This policy shall be called the Property Rates Policy of the Polokwane Municipality for the financial year 2024/2025.

## **10. DATE OF IMPLEMENTATION**

This policy takes effect from 1 July 2024 and will be reviewed annually during the budgetary process of the Municipality.



**FINAL**

**SUPPLY CHAIN**

**MANAGEMENT POLICY**

**2024/2025**

## PART A

### **This Policy consists of Three parts:**

**Part A** is the **Supply Chain Management Policy**, adopted in terms of section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005;

**Part B** is the **Preferential Procurement Policy**, adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2022.

And

**Part C** is the **Model Policy for Infrastructure Management**, adopted in terms of section 168 of the Municipal Finance Management Act, No. 56 of 2003 in support of Regulation 3(2) of the MFMA Supply Chain Management Regulations.

**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**PART A**

**MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY**  
**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

The Council of the Polokwane Municipality resolved on ..... in terms of section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality:

**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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## 1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

**“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** means:

**member”** (a) spouse or partner

(b) parent

(c) children

**“closing date”** means the time and day specified in the bid documents and/or advertisement of 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, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

**“delegation”** in relation to a duty, includes an instruction a request to perform or to assist in performing the duty.

**“emergency”** an emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.

**“emerging enterprise”** means an enterprise which is owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.

**“final award”** in relation to bids or quotations submitted for a contract, 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, principal shareholder or member, manager or who serves on the board of directors, etc 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 that complies with all specifications and conditions of tender and that has the highest price compared to other tenders

**Historically Disadvantaged Individual (HDI)** means a South African Citizen (1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (“the Interim Constitution”); and/or (2) Who is a female; and /or (3) Who has a disability; Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI;

**“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 period exceeding three years;

**Lowest acceptable tender** Means a tender that complies with all specifications and conditions of tender and that has 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 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 amongst 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.

***“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 stated price that a supplier expects to receive For the provision of specified services, works or goods;

**“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”** Sole supplier- One and Only (Alone of its kind) Supplier (Oxford Dictionary). If such goods or services are produced or available from a single provider only. There is no competition and only one provider exists in South Africa (for example, sole distribution rights);

**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 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 Officials;

***“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 ‘bid’ or a ‘quotation’ in relation to a “Tender Box”;

***“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, including –

- a) National Treasury, MFMA Circular No. 34, Municipal Finance Management Act No. 56 of 2003, Reporting of awards above R 100 000
- b) National Treasury, MFMA Circular No. 46, Municipal Finance Management Act No. 56 of 2003, Checking the prohibition status of recommended bidders.
- c) National Treasury, MFMA Circular No. 50, Municipal Finance Management Act No. 56 of 2003, Preparation of the municipal audit file (Stores & Consumables)
- d) National Treasury, MFMA Circular No. 52, Municipal Finance Management Act No. 56 of 2003, Prohibition of restricted practices



- e) National Treasury, MFMA Circular No. 53, Municipal Finance Management Act No. 56 of 2003, Amended guidelines in respect of bids that include functionality as a criterion for evaluation
- f) National Treasury, MFMA Circular No. 56, Municipal Finance Management Act No. 56 of 2003, Database of restricted suppliers and training on the revised Preferential Procurement Regulations, 2011

**“*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 clearly indicates otherwise.
- 1.2. All amounts / limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).

## CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

### 2. Supply Chain Management Policy

- 1) All officials and other role players in the Supply Chain management system of the **Polokwane Municipality** must implement this Policy in a way that –
  - a) gives effect to –
    - i) section 217 of the Constitution; and
    - ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
    - iii) Regulations pertaining to Supply Chain Management.
  - b) gives effect to the principles contained in **Annexure A**.
  - c) complies with –
    - i) the Regulations; and
    - ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - d) is consistent with other applicable legislation;
  - e) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
  - f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector;
  - g) applies the highest ethical standards; and
  - h) promotes local economic development.
- 2) This Policy applies when the Municipality –
  - a) procures goods or services;
  - b) disposes of goods no longer needed;
  - c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.
- 3) This Policy, except where provided otherwise, does not apply in respect of:
  - a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
    - i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
    - ii) electricity from Eskom or another public entity, another municipality or a municipal entity.
  - b) the unskilled labour component of the Municipality's LLPP (Local Labour Promotion Projects);
  - c) the acquisition of services of attorneys and advocates subject that the acquisition of such services to be dealt with in terms of Delegations 4.2.52, 5.1.1.35.1 and

- 5.1.1.35.3 of the Municipality's Delegation of Powers and Duties, as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures;
- d) the payment of accommodation and air travel for official purposes subject that same be dealt with in terms of the Municipality's Travelling and Subsistence allowance/cost Policy, as amended from time to time, as well as Delegations 4.1.1, 5.1.1.1 and 5.1.1.17 of the Municipality's Delegation of Powers and Duties, as amended from time to time;
  - e) any contract relating to the publication of notices and advertisements by the municipality.

### **3. Adoption, Amendment and Implementation of the Supply Chain Management Policy**

- 1) The accounting officer must –
  - a) at least annually review the implementation of this **Policy**; and
  - b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council.
- 2) If the accounting officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the accounting officer must –
  - a) ensure that such proposed amendments comply with the Regulations; and
  - b) report any deviation from the model policy to the National Treasury and the provincial treasury.
- 3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- 4) The accounting officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

### **4. Delegation of supply chain management powers and duties**

- 1) Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
  - a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
    - i) Chapter 8 or 10 of the Act; and
    - ii) this Policy;
  - b) to maximize administrative and operational efficiency in the implementation of this Policy;

- c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
  - d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- 2) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the accounting officer in terms of sub-clause (1).
  - 3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.
  - 4) This clause may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy.

#### **5. Sub-delegations**

- 1) The accounting officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy., but any such sub-delegation must be consistent with sub-clause (2) of this clause and clause 4 of this Policy.
- 2) The power to make a final award –
  - a) above R300 000 (VAT included) may **not be sub-delegated** by the **accounting officer**;
  - b) above R30 000 (VAT included), but not exceeding **R300 000 (VAT included)**, must be sub-delegated to the deputy chief financial officer ;  
Delegations include the authority to approve the following:-
    1. Bid Specification Reports and Adverts
    2. Appointment Letters
  - c) Above R30 000 but not exceeding R300 000 must be sub-delegated to **the Deputy Chief Financial Officer** as per Council's delegations, pertaining to the procurement of goods and services.  
Delegations include the authority to approve the following:-
    1. Bid Specification Reports and Adverts
    2. Appointment Letters
  - d) Above R2 000 but not exceeding R30 000 must be sub-delegated to **the Head of Supply chain Management (Manager SCM)** as per financial delegations pertaining to the procurement of goods and services.
  - e) Procurement not exceeding R2 000 must be sub-delegated to **the Manager Expenditure** as per financial delegations through petty cash.

- f) Price negotiations must be delegated to the CFO as a chairperson of Bid adjudication committee.
  
- 4) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-clause (2) must **within ten (10)** day of the end of each month submit to the official referred to in sub-clause 4(a) written report containing particulars of each final award made by such official or committee during that month, including–
  - a) the amount of the award;
  - b) the name of the person to whom the award was made; and
  - c) the reason why the award was made to that person.
- 5) A written report referred to in sub-clause (3) must be submitted to the accounting officer, in the case of an award by a bid adjudication committee of which the chief financial officer or a senior manager is a member.
- 6) Sub-clauses (3) and (4) of this policy do not apply to procurement out of petty cash.
- 7) This clause may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy. Also refer to clause 4(4) and 5(2)(a) of this Policy.

## **6. Oversight role of council**

- 1) Council must maintain oversight over the implementation of this Policy.
- 2) For the purposes of such oversight the Accounting Officer must –
  - a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
  - b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
- 3) The accounting officer must, within ten (10) days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.
- 4) The availability of these reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002

## **7. Supply Chain Management Unit**

- 1) A supply chain management unit is hereby established to implement this Policy.
- 2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

#### **8. Training of supply chain management officials**

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.

### **CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM**

#### **9. Format of supply chain management system**

- 1) This Policy provides systems for –
  - a) demand management;
  - b) acquisition management;
  - c) logistics management;
  - d) disposal management;
  - e) risk management; and
  - f) performance management.

#### **Part 1: Demand management**

#### **10. System of demand management**

- 1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan.
- 2) The demand management system must –
  - a) include timely planning and management processes to ensure that all goods and services required by the Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
  - b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
  - c) provide for the compilation of the required specifications to ensure that its

needs are met.

d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

## **Part 2: Acquisition management**

### **11. System of acquisition management**

1) The accounting officer must implement the system of acquisition management set

Out in this Part in order to ensure –

- a) That goods and services are procured by the Municipality in accordance with authorized processes only;
- b) That expenditure on goods and services is incurred in terms of an approved Budget in terms of section 15 of the Act;
- c) That the threshold values for the different procurement processes are complied with;
- d) That bid documentation, evaluation and adjudication criteria, and general Conditions of a contract, are in accordance with any applicable legislation; and
- e) That any Treasury guidelines on acquisition management are properly taken into account.

2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must, subject to clause 2(3), make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -

- a) the kind of goods or services; and
- b) the name of the supplier.

### **12. Range of procurement processes**

1) Goods and services may only be procured by way of –

- a) Petty cash purchases up to an amount of R2 000 (VAT included) to be authorized by the Manager expenditure;
- b) Formal written price quotations for procurement transactions with values over R2 000 up to R30 000 (VAT included);
- c) Formal written price quotations for procurement transactions valued over R30 000 (VAT included) up to **R300 000 (VAT included)**, subject to clause 18(b), the 80/20 preference point system will apply.; and
- d) a competitive bidding process for –
- e) Procurement above a transaction value of **R300 000 (VAT included)** the 80/20 preference point system will apply to procurement up to R50 000 000 and the 90/10 preference point system will apply to procurement in excess of R50 000 000.  
; and
- ii) The procurement of long term contracts, i.e. longer than one year.

- 2) The accounting officer may, in writing -
  - a) Lower, but not increase, the different threshold values specified in sub-clause (1);  
or
  - b) direct that –
    - i) **Petty cash of transaction value lower than of R2 000 (VAT included)**
    - ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (VAT included); or
    - iii) a competitive bidding process be followed for any specific procurement of a transaction value higher than **R300 000 (VAT included)**.
  - c) the delegated authority for the different threshold values are contained in the Municipality's Delegations of Power : Delegation 4.2.81.1.
- 3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
- 4) The Municipality reserves the rights to appoint a panel of Service Providers or Contractors for period not more than 36 months and allocation of work must be done in line with procedure manual for allocation of work to panellist.

**13. General preconditions for consideration of formal written price quotations or bids**

A formal written price quotation or bid that exceeds R30 000 may not be considered unless the provider who submitted the quotation or bid –

- a) has furnished that provider's –
  - i) full name;
  - ii) identification number or company or other registration number; and
  - iii) tax reference number and VAT registration number, if any;
- b) has authorized the Municipality to verify any of the documentation referred to in sub-clause (a) above; and
- c) has indicated –
  - i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
  - ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or



- iii) whether a close family member of the provider or of a director, manager, shareholder or stakeholder referred to in sub-clause (ii) is in the service of the state, or has been in the service of the state in the previous twelve months;
- iv) that the tendering enterprise or any of its owners, directors, members or trustees, in their personal capacity are not in arrears with any account(s) with a Municipality for longer than 90 days / three months; or
- v) whether any Municipal staff member is a close family member of an owner, his/her partner serves on the board of directors, or are members or trustees, of the tendering enterprise.

**14. Lists of accredited prospective providers**

- 1) The accounting officer must –
  - a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
  - b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - c) specify the listing criteria for accredited prospective providers which must include at least the requirement to submit proof of compliance with SARS tax clearance and proof that local municipal rates and services payments are not in arrears for more than three months;
  - d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- 2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- 3) The list must be compiled per commodity and per type of service.

**15. Petty cash purchases**

- 1) The general guideline is that petty cash purchases referred to in clause 12(1)(a) & (b) of this Policy are for minor items that are purchased for up to R2 000 (VAT included) where it is impractical, impossible or not cost-effective to follow formal procurement process and is strictly of a reimbursive nature and not for advances.
- 2) The conditions for the procurement of goods by means of petty cash purchases referred to in clause 12 (1)(a) & (b) of this Policy, are as follows:-

- a) Accounting Officer to determine the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
  - b) Accounting Officer to determine the maximum number of petty cash purchases or the maximum amounts per month for each petty cash holder;
  - c) Accounting Officer to determine any types of expenditure from petty cash purchases that are excluded, where this is considered necessary; and
  - d) a monthly reconciliation report from each petty cash holder must be provided to the chief financial officer, including –
    - i) the total amount of petty cash purchases for that month; and
    - ii) the receipts and appropriate documents for each purchase;
  - e) any other conditions determined by Accounting Officer.
- 3) Petty cash purchases with threshold value from an amount of R1.00 up to an amount of R2 000 (VAT included) to be authorised by the Chief Financial Officer or his delegate.

#### **16. Written quotations**

- 1) The conditions for the procurement of goods or services through written quotations for amounts under the threshold for formal quotations as stated in clause 12(1)(c) are as follows:
- a) quotations for transactions above R 30 000 up to R300 000 (VAT Included) must be obtained from at **least three different providers** preferably from, but not limited to, providers whose names appear on the national treasury central supplier database or list of **accredited prospective providers** of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;
  - b) providers must be requested to submit such quotations in writing;
  - c) if it is not possible to obtain at least three quotations, **the reasons must be recorded, approved by the accounting officer and reported quarterly to the Council**
  - e) any other conditions determined by the Accounting Officer.
- 2) **No orders may be placed based on verbal price quotations.**
- 3) No quotation, written or verbal, may be made available by an official to a prospective bidder.

**17. Formal written price quotations**

- 1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
  - a) quotations must be obtained in writing from at least **three different providers whose names appear on the national treasury central supplier database or list of accredited prospective** providers of the Municipality;
  - b) quotations may be **obtained from providers who are not listed**, provided that such providers meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;
  - c) if it is not possible to obtain **at least three quotations**, the reasons must be recorded, **approved by the accounting officer and reported quarterly to the Council**

**18. Procedures for procuring goods or services through formal written price quotations**

The procedure for the procurement of goods or services through formal written price quotations is as follows:

- a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of clause 17, the database for goods and services above shall be advertised annually.
- c) quotes received must be evaluated on a comparative basis taking into account unconditional discounts;
- e) quotes must be awarded based on compliance to specifications, conditions of contract, ability and capability to deliver the goods and services, at **acceptable price**
- f) responsive and acceptable offers, which are subject to the preference points system (PPPFA and associated regulations and policy), must be awarded to the bidder who scored the highest points; The prescripts of the Preferential Procurement Policy Framework Act, Act No.5 of 2000 will be applied for procurement requirements above R30 000 (and with a lesser value where appropriate);
- g) the **Deputy Chief Financial Officer** must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality;

- h) procurement requirements exceeding a value of R 30 000 (VAT Inclusive) must be submitted to the Quotations Evaluation Committee which comprises of **Supply Chain Manager or his delegate, Project Manager and Secretary**. The Quotations Evaluation Committee must make recommendation to the Deputy Chief Financial Officer or delegated official for approval.

## **19. Competitive bids**

- 1) Goods or services above a transaction value of **R300 000 (VAT included)** and long-term contracts may only be procured through a competitive bidding process, subject to clauses 11(2) and 36 of this Policy.
- 2) No requirement for goods or services above an estimated transaction value of **R300 000 (VAT included)**, may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- 3) Expression of interest/Request for Information – The Municipality reserves the rights to issue expression of interest which is non-binding.
- 4) The Municipality reserves the rights to issue a request for qualification and proposal on all the PPP (Public Private Partnership) and alternative funding mechanisms and programmes

## **20. Process for competitive bidding**

The procedures for the following stages of a competitive bidding process are as follows:

- a) Compilation of bidding documentation as detailed in clause 21;
- b) Public invitation of bids as detailed in clause 22;
- c) Site meetings or briefing sessions as detailed in clause 22;
- d) Handling of bids submitted in response to public invitation as detailed in clause 23;
- e) Evaluation of bids as detailed in clause 28;
- f) Award of contracts as detailed in clause 29;
- g) Administration of contracts: After approval of a bid, the accounting officer and the bidder must enter into a written agreement unless the bidding documentation constitutes an acceptable contract.
- h) Proper record keeping: Original and legal copies of written agreements should be kept in a secure place for reference purposes.

## **21. Bid documentation for competitive bids**

- 1) The criteria to which bid documentation for a competitive bidding process must comply, and ;
  - a) take into account –
    - i) the general conditions of contract and any special conditions of contract, if specified;
    - ii) any Treasury guidelines on bid documentation; and
    - iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure; and
    - iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic;
  - b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations, 2011 and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
  - c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
  - d) if the value of the transaction exceed R10 million (VAT included) –
    - i) the bidder is required by law to submit audited or reviewed annual financial statement; for the past three years; or since its establishment if established within the past three years;
    - ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards the Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;
    - iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material noncompliance or dispute concerning the execution of such contract;
    - iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
  - e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law;

- f) in the absence of formal construction or technical contracts, e.g. JBCC and General Conditions of Contract, in which guarantees / sureties are contained, the following shall apply:
  - i) where surety is required it shall be in the form of cash or a bank guarantee from a banking institution registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) or from an insurer registered in terms of the Insurance Act, 2002 (Act No. 30 of 2002). Where bids in Category A cannot raise the required surety of 2,5%, and it is feasible to deduct the amount from the Preliminary and General (P+G) payment certificate, such concessions may be granted; Guarantees will be required as follows:
- g) indicate the value or extent to which the execution of the contract should or should not be subcontracted;
- h) submit a certificate from the Department of Labour indicating compliance with the Occupational Health & Safety Act, 1993 [Act No. 85 of 1993];
- i) any other criteria determined by the Accounting Officer; and
- j) the amount and period of retention.

## 22. Public invitation for competitive bids

- 1) The procedure for the invitation of competitive bids is as follows:
  - a) Any invitation to prospective providers to submit bids must be by means of a e-tender portal, the website of the Municipality or CIDB database in case of capital projects
  - b) the information contained in a e-tender advertisement, must include –
    - i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-clause (2) of this policy;
    - ii) a statement that bids may only be submitted on the **original bid** documentation provided by the Municipality;
    - iii) a statement that bids will only be considered if it was deposited in the bid box indicated in the bid invitation; and
    - iv) date, time and venue of any proposed site meetings or briefing sessions.
- 2) The accounting officer may determine a closure date for the submission of bids which is less than the required **30 or 14 days**, but only if such shorter period can be justified on

the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

- 3) Bids submitted must be sealed.
- 4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

**23. Procedure for handling, opening and recording of bids**

- 1) The procedures for the handling, opening and recording of bids, are as follows:
  - a) Bids–
    - i) must be opened only in public;
    - ii) **must be opened on the same date and time of closing of bids ;**
  - b) **Any bidder or member of the public has the right to request that the names of the bidders and their bidding price who submitted bids in time shall be read out.**
  - c) No information, except the provisions in sub-clause (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
  - d) The accounting officer must –
    - i) record in a register all bids received in time;
    - ii) make the register available for public inspection; and
    - iii) publish the entries in the register on the website ;
    - (iv) notify the successful bidders in writing and publish the bid results on the website.
- 2) Stamping of bids and reading out of names
  - a) An employee shall date-stamp the bid or quotation document and all enclosures related to prices. Bids and quotations shall be numbered in the sequence in which they have been opened.
  - b) Where prices have not been inserted in all relevant spaces on the form and such items have not been deleted by bidders, such spaces shall be stamped “no price” by the employee who opens the bids or quotations.
  - c) Details on how bidders responded to the relevant evaluation criteria e.g. SMME contribution, community benefits, job creation, environmental impact, etc. should not be disclosed.
- 3) Late Bids
  - a) Bids or quotations arriving after the specified closing time shall not be considered for evaluation.

- b) Bid documents must clearly state the venue where the bidding box is situated for each bid. Any bid delivered to the wrong bid box will not be considered, even if it was delivered on time.
- c) The late bid or quotation document shall be registered and stamped "late bid"
- 4) Amendments before the closing date
  - a) The Municipality is entitled to amend any bid condition, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised
  - b) or are advised during briefing session and the details of amendment must recorded in briefing session minutes
- 5) The notice shall make provision for the bidders to request their submitted bid or quotations document.
- 6) Bid and quotation validity period
  - a) Validity period for bids above **R300 000 (VAT Inclusive)** is 90 days and also the validity period for quotation between R30 000 (VAT inclusive) and **R300 000 (VAT Inclusive)** is 90 days
  - b) No person may amend or tamper with any tenders, quotations, contracts or bids after their submission.
- 7) Extension of validity period
 

The municipality reserve right to extent the validity period through notice to all the bidders who tendered for the relevant project provided that the notice is made on or before an expiry of validity period.

**24. Negotiations with preferred bidders and communication with prospective providers and bidders**

- 1) The accounting officer or delegated official may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
  - a) does not allow any preferred bidder a second or unfair opportunity;
  - b) is not to the detriment of any other bidder; and
  - c) does not lead to a higher price than the bid as submitted;
  - d) does not lead to a lower price in respect of sale of land / goods.
  - e) Hourly rates based project must be agreed upon by the relevant project owner as when required after the BAC has mandated the relevant project owner in writing and the hours must be within budget over MTREF period
- 2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.



- 3) No unauthorised communication with bidders and prospective providers:
- a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his/her bid, quotation or offer other than a notice of withdrawal.
  - b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in clause (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the relevant chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorised communication has occurred may be disqualified.
  - c) The chairperson or deputy chairperson of the Bid Adjudication Committee or delegated official, may authorise an employee in writing, to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-
    - i) explaining and verification of declarations made in the bid response;
    - ii) confirming technical particulars and the compliance thereof with specifications;
    - iii) clarifying delivery times/quantities;
    - iv) extending the validity period of a bid;
    - v) clarifying any other commercial aspect;
    - vi) for the submission of substantiating documents.
  - d) In all cases where authority has been granted to communicate with bidders in terms of clause (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.
  - e) All changes and/or clarification of specifications shall be conveyed to all bidders by means or methods as specified in clause 23.

**25. Two-stage bidding process**

- 1) A two-stage bidding process is allowed for –
  - a) large complex projects; or
  - b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - c) long term projects with a duration period exceeding three years.
- 2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

- 3) In the second stage final technical proposals and priced bids should be invited.

## **26. Committee system for competitive bids**

- 1) A committee system for competitive bids is hereby established, consisting of the following committees for each transaction or cluster of transactions as the accounting officer may determine:
  - a) a bid specification committee;
  - b) a bid evaluation committee; and
  - c) a bid adjudication committee;
- 2) The Accounting officer appoints the members of each committee, taking into account section 117 of the Act, and
- 3) The Accounting Officer may appoint a neutral or independent observer, to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- 4) The committee system must be consistent with –
  - a) clause 27, 28 and 29 of this Policy; and
  - b) any other applicable legislation.
- 5) The Accounting officer may apply the committee system to formal written price quotations.

## **27. Bid specification committees**

- 1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.
- 2) Specifications –
  - a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  - b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
  - c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;
  - d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
  - e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible

way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;

- f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations, 2011; and
- g) must be approved by the relevant senior manager prior to publication of the invitation for bids in terms of clause 22 of this Policy.

3) **Composition of Bid Specification Committee**

A Bid Specification Committee must be composed of the following:

- a) Supply Chain Official as the chairperson
  - b) One official from SCM Unit providing also secretarial duties
  - c) Manager or delegated official from the user department requesting goods or services.
- 4) The Committee may, when appropriate, include external specialist advisors. No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

**28. Bid evaluation committees**

1) A bid evaluation committee must evaluate all bids for procurement exceeding **R 300 000 (VAT Inclusive)** –

- a) evaluate bids in accordance with –
  - i) the specifications for a specific procurement; and
  - ii) the points system set out in terms of clause 27(2)(f);
  - iii) the general criteria to evaluate technical and financial ability
  - iv) the framework for the adjudication of bids as contained in Part B (Preferential Procurement Policy).
- b) evaluate each bidder’s ability to execute the contract;
- c) evaluate the bids to ensure value for money for the municipality;
- d) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months or valid lease agreements or letter from traditional authorities.
- e) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter;
- f) submit to the adjudication committee a report and reasons in the event of a bid not being awarded.

2) **Composition of Bid Evaluation Committee**

A bid evaluation committee must as far as possible be composed of

- a) Standing members
  - i) Manager or official appointed by the Accounting Officer
  - ii) Supply chain management official
  
- b) Other members:
  - i) At least one knowledgeable / professional official from the Directorate for whom the bid is called.
  - ii) Technical experts, consultants or advisors, provided that these experts may only actively contribute to discussions, but not vote on the items evaluated.

**29. Bid adjudication committees**

- 1) A bid adjudication committee must –
  - a) consider the report and recommendations of the bid evaluation committee; and
  - b) either –
    - i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
    - ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
  - c) Consider the report and recommendations of the bid evaluation committee where it is recommended that the tender not be awarded; and either
    - i) take a decision that the tender not be awarded for the reasons presented and that it be re-advertised or not be re-advertised; or
    - ii) take a decision that the tender be awarded and make a final award or a recommendation to the accounting officer to make the final award.
  
- 2) A bid adjudication committee shall be composed at least four senior managers including the following:-
  - a) the Chief Financial Officer as the Chairperson or, if the Chief Financial Officer is not available, the Deputy Chief Financial Officer, in cases where the two are not available another manager reporting directly to the chief financial officer or deputy chief financial officer and designated by the chief financial officer;
  - b) the Manager: Supply Chain Management or delegated SCM practitioner; and
  - c) Directors or in their absence, a duly delegated official appointed by the Accounting Officer.
  - d) In the event of an equal of votes the chairperson shall have a casting vote over and above a deliberate vote.

- 3) The Technical Director or advisor must be present at the Bid Adjudication meeting where bids related to engineering are to be considered.
- 4) The Chairperson of the Bid Evaluation Committee or in his absence an official nominated by the Chief Financial Officer should be present at the Adjudication Meetings to introduce the reports to the Committee and assist in clarifying issues that were dealt with in the Evaluation Committee meetings without voting rights.
- 5) A technical expert in the relevant field, who is an official, if such an expert exists, may attend the meeting as an advisor for clarification purposes. This official will not have voting rights at the Bid Adjudication Committee meeting.
- 6) The Accounting officer or Bid Adjudication committee may recommend the consultant to perform risk assessment on price before appointment of the recommended bidder.
- 7) The Accounting Officer must appoint the CFO or in his absence, the deputy CFO, as chairperson of the committee.
- 8) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- 9) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee –
  - a) the bid adjudication committee must prior to awarding the bid –
    - i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears for more than three months, and;
    - ii) notify the accounting officer.
  - b) The accounting officer may –
    - i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in clause (a); and
    - ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- 10) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- 11) The accounting officer must comply with section 114 of the Local Government: Municipal Finance Management Act 56 of 2003 –
  1. *If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor-General, the relevant provincial treasury and the National*

*Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.*

2. *Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.”*

**30. Quorum in all bid committees**

Quorum at bid committee meetings shall be fifty percent plus one of total members.

**31. Procurement of banking services**

- 1) A contract for banking services –
  - a) must be procured through competitive bids;
  - b) must be consistent with section 7 of the Act; and
  - c) may not be for a period of more than five years at a time.
- 2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- 3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of clause 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

**32. Procurement of Information- and Communication Technology (ICT) related goods or services**

- 1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of ICT related goods or services through a competitive bidding process.
- 2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- 3) The accounting officer must notify SITA together with a motivation of the ICT needs if –
  - a) the transaction value of ICT related goods or services required in any financial year will exceed R50 million (VAT included); or
  - b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- 4) If SITA comments on the submission and the Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

**33. Procurement of goods and services under contracts secured by other organs of state**

- 1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
  - a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - b) there is no reason to believe that such contract was not validly procured;
  - c) there are demonstrable discounts or benefits to do so; and
  - d) that other organ of state and the provider have consented to such procurement in writing.
- 2) Sub-clauses (1)(c) and (d) do not apply if –
  - a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
  - b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- 3) Prior considering the use of section 32, the full cost benefits analysis must be performed by the user department and cost benefit analysis must be first approved by the BAC if the project will be below R3m or accounting officer if the project is above R3m.

**34. Procurement of goods necessitating special safety arrangements**

- 1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gases and fuel, should be avoided where ever possible.
- 2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the employee duly authorised in terms of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

**35. Proudly SA Campaign**

The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services.

**36. Appointment of consultants**

- 1) The accounting officer may procure consulting services provided that any Treasury guidelines and the relevant professional body requirements in respect of consulting services are taken into account when such procurements are made.
- 2) Consultancy services must be procured through competitive bids if:
  - a) the value of the contract exceeds **R300 000 (VAT included)**; or

- b) the duration period of the contract exceeds one year.
- 3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
  - a) all consultancy services provided to the municipality in the last five years; and
  - b) any similar consultancy services provided to the municipality in the last five years.
- 4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

**37. Deviation from, and ratification of minor breaches of, procurement processes**

- 1) The accounting officer may –
  - a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
    - i) in an emergency;
      - a) Circumstances that warrant emergency dispensation, includes but are not limited to -
        - a) the possibility of human injury or death;
        - b) the prevalence of human suffering or deprivation of rights;
        - c) the possibility of damage to property, or suffering and death of livestock and animals;
        - d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;
        - e) the possibility of serious damage occurring to the natural environment;
        - f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
        - g) the possibility that the security of the state could be compromised.
    - b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.
    - c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegatee prior to incurring the expenditure



and must be reported to the Municipal Manager or delegated official on the ensuing days.

- ii) if such goods or services are produced or available from a single provider only upon submission of certification letter from DTI;
  - iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - iv) acquisition of animals for zoos and/or nature and game reserves; or
  - v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes,
  - vi) in the case of strip and quote, quotations will be sourced from one service providers listed on the database on rotational basis.
  - vii) Renewal and acquisition of IT licenses shall be sourced directly from accredited agencies.
- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and
- c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy, provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.
- 2) The accounting officer must record the reasons for any deviations in terms of subclauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.
- 3) Sub-clause (2) does not apply to the procurement of goods and services contemplated in clause 11(2) of this policy.
- 4) Limited bidding/Close Bid

It is allowed under this policy that the accounting officer may use limited bidding to procure goods and services but approval must only be granted where there is sufficient motivation / reasons and after a careful and thorough analysis of the market.

- (i) "Multiple source"- There is a limited competition, hence only a few prospective bidders are allowed to make proposal. This should be based on a thorough analysis of the market.

- (ii) “Single Source”- This should be based on a thorough analysis of the market and use a transparent and equitable pre-selection process, to request only one amongst a few prospective bidders to make a proposal.
- (iii) “Sole source”- There is no competition and it has been proven through careful and transparent market analysis that only one bidder exists ( for example, sole distribution rights etc.)

**38. Unsolicited bids**

- 1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- 2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
  - a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
  - b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
  - c) the person who made the bid is the sole provider of the product or service; and
  - d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- 3) If the accounting officer decides to consider an unsolicited bid that complies with sub-clause (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
  - a) reasons as to why the bid should not be open to other competitors;
  - b) an explanation of the potential benefits if the unsolicited bid was to be accepted; and
  - c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- 4) The accounting officer must submit all written comments received pursuant to sub-clause (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- 5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- 6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- 7) When considering the matter, the adjudication committee must take into account –
  - a) any comments submitted by the public; and

- b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- 8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
  - 9) Such submission must be made within five day after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 30 day of the submission.
  - 10) Closed bids shall only be accepted after the municipality failed to attract potential service providers through normal competitive bidding processes

**39. Combating of abuse of supply chain management system**

- 1) The accounting officer is hereby enabled to –
  - a) take all reasonable steps to prevent abuse of the supply chain management system;
  - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
    - i) take appropriate steps against such official or other role player; or
    - ii) report any alleged criminal conduct to the South African Police Service;
  - c) check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
  - d) reject any bid from a bidder –
    - i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other municipality or municipal entity are in arrears for more than three months; or
    - ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
  - e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
  - f) cancel a contract awarded to a person if –
    - i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

- ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- g) reject the bid of any bidder if that bidder or any of its directors –
  - i) has abused the supply chain management system of the Municipality or has committed any improper conduct in relation to such system;
  - ii) has been convicted for fraud or corruption during the past five years;
  - iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-clauses (1)(b)(ii), (e) or (f) of this policy.
- 3) Restrictive practices are prohibited:
  - a) In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder is or a contractor was involved in collusive bidding.
  - b) If a bidder or contractor, based on reasonable grounds or evidence obtained by the municipality, has engaged in the restrictive practice referred to above, the municipality may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No. 89 of 1998.
  - c) If a bidder or contractor has been found guilty by the Competition omission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder or contractor from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder or contractor concerned.
- 4) **Blacklisting criteria:**
  - a) Fraudulent and corrupt activities shall amount to 10 years sanction
  - b) Collusive activities shall amount to 10 years sanction
  - c) Misrepresentation of facts or false declarations shall amount to 5 years sanction

- d) Poor or non-performance shall amount to 2 years sanction

### **Part 3: Logistics, Disposal, Risk and Performance Management**

#### **40. Logistics management**

The accounting officer must establish and implement an effective system of logistics management, which must include -

- 1) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- 2) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- 3) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- 4) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- 5) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- 6) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and 7) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

#### **41. Disposal management**

Assets must be disposed of in terms of Council's Asset Management Policy as well as the Immoveable Property Management Policy.

#### **42. Risk management**

The Accounting Officer must implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system as per Council's Risk Management Policy.

#### **43. Performance management**

The accounting officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System- Implementation Policy.

#### **Part 4: Other matters**

##### **44. Prohibition on awards to persons whose tax matters are not in order**

Bids in excess of R30 000 will only be evaluated if the municipality is in possession of a bidder's valid original tax clearance certificate which declares that the bidder's tax matters have been declared to be in order by the South African Revenue Services (SARS). Alternatively the central supplier database will be checked to verify the tax matters of the recommended bidders.

##### **45. Prohibition on awards to persons in the service of the state**

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

- a) who is in the service of the state;
- b) that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- c) a person who is an advisor or consultant contracted with the Municipality in respect of a contract that would cause a conflict of interest.

##### **46. Awards to close family members of persons in the service of the state**

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 (VAT included) to a close family member of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- 1) the name of that person;
- 2) the capacity in which that person is in the service of the state; and
- 3) the amount of the award.

##### **47. Ethical standards**

- 1) A code of ethical standards for supply chain management practitioners and other role players involved in supply chain management is hereby established in accordance with sub-clause (2) in order to promote –
  - a) mutual trust and respect; and
  - b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

- 2) An official or other role player involved in the implementation of the supply chain management policy –
  - a) must treat all providers and potential providers equitably;
  - b) may not use his or her position for private gain or to improperly benefit another person;
  - c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
  - d) notwithstanding sub-clause (2)(c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
  - e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;
  - f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
  - g) must be scrupulous in his or her use of property belonging to the municipality;
  - h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
    - i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
      - i) any alleged fraud, corruption, favouritism or unfair conduct;
      - ii) any alleged contravention of clause 47(1) of this policy; or
      - iii) any alleged breach of this code of ethical standards.
- 3) Declarations in terms of sub-clauses (2)(d) and (e) -
  - a) must be recorded in a register which the accounting officer must keep for this purpose;
    - i) by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.
- 4) A breach of the code of ethics must be dealt with as follows -
  - a) in the case of an employee, in terms of the disciplinary procedures of the Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
  - b) in the case a councillor, in terms of Schedule 1 of the Systems Act;

- c) in the case a role player who is not an employee, or a councillor through other appropriate means in recognition of the severity of the breach; and
- d) in all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

**48. Inducements, rewards, gifts and favours to municipal officials and other role players**

- 1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
  - a) any inducement or reward to the Municipality for or in connection with the award of a contract; or
  - b) any reward, gift, favour or hospitality to –
    - i) any official; or
    - ii) any other role player involved in the implementation of this Policy.
- 2) The accounting officer must promptly report any alleged contravention of subclause (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- 3) Sub-clause (1) does not apply to gifts less than R350 in value.

**49. Sponsorships**

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- a) a provider or prospective provider of goods or services; or
- b) a recipient or prospective recipient of goods disposed or to be disposed.

**50. Objections and complaints**

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within fourteen (14) days of the decision or action, a written objection or complaint against the decision or action.

**51. Resolution of disputes, objections, complaints and queries**



- 1) The accounting officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes –
  - a) to assist in the resolution of disputes between the Municipality and other persons regarding -
    - i) any decisions or actions taken in the implementation of the supply chain management system; or
    - ii) any matter arising from a contract awarded in the course of the supply chain management system;
  - b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- 2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- 3) The person appointed must –
  - a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- 4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
  - a) the dispute, objection, complaint or query is not resolved within 46 day; or
  - b) no response is forthcoming within 46 day.
- 5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query will be referred to the National Treasury for resolution.
- 6) This clause must not be read as affecting a person's rights to approach a court at any time.

**52. Contracts providing for compensation based on turnover**

- 1) If a service provider acts on behalf of a Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate -
  - a) a cap on the compensation payable to the service provider; and
  - b) that such compensation must be performance based.

**53. Dispute resolution on payment of Contractors and/or Service Providers**

- 1) All the dispute on payment from the user department must be reported to the office of the CFO in writing and circular 49 must be utilised to resolve the issue.
- 2) All the disputed payment must be reported on section 71 reports as part of statutory reporting;

#### **54. Payment of sub-contractors or joint venture partners and Cessionary payment**

- 1) Payment of sub-contractors or joint venture partners  
The chief financial officer or an official designated by the chief financial officer may consent to the direct payment of sub-contractors or joint venture partners by way of:
  - a) an approved agreement between the two parties provided it is within 30% threshold as required by the preferential regulation; or
- 2) Cessionary payment  
The municipality shall accept cessionary payment under the following conditions:
  - a) Signed agreement between the parties involved.
  - b) Provided that the cedee submit original and valid tax clearance certificate.
  - c) The cedee is not blacklisted in the National Treasury database

Cessionary payments shall be approved by delegated officials in terms of approved delegations.

1. Cession can only entered into if it is for purchase of the material or stock by the appointed service provider or financing cession to the appointment service provider.
2. No official other than the Chief Financial Officer ,Deputy Chief Financial Officer of Supply Chain manager shall enter into cession on behalf of the municipality
3. Cession below R30 000 can be signed by the SCM Manager;
4. Cession between R30 000 and **R300 000** shall be signed by the Deputy Chief Financial Officer.
5. Cession between above **R300 000** shall be signed by the Chief Financial Officer.

#### **55. Extending/ Expansion of Contracts**

1. It is recognized that, in exceptional cases, an accounting officer may deem it necessary to expand or vary order against the original contract.

2. Contract(s) may be expanded or varied by not more than 20% for construction related goods, works and/or services and 15% for all other goods or services of the original value of the contract after approval by the BAC and while on tenders above R10 Million must be approved by the Accounting Officer after the BAC has recommended to the Accounting Officer on the proposed variations.
3. Any expansion or variation of contract in excess of these thresholds must be dealt with in terms of the provision to section 116(3) of the MFMA which will be regarded as an amendment to contract and should be approved by council.
4. Contracts for supply of goods and services (Month to Month contracts) may not be extended for a period more of than three months.

**56. Contracts having budgetary implications beyond three financial years**

The municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of section 33 of the Municipal Finance Management Act have been fully complied with.

**57. Short title and commencement**

This part of the policy is called the Polokwane Municipality **Supply Chain Management Policy**.

**POLOKWANE  
MUNICIPALITY**

**SUPPLY CHAIN  
MANAGEMENT POLICY**

**PART B**

**PREFERENTIAL PROCUREMENT POLICY**

**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART B**

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**PART B**

**PREFERENTIAL PROCUREMENT POLICY** adopted in terms of Section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2022.

**PREAMBLE**

**WHEREAS** the Polokwane Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council takes into account the need for transparent procedures that give the effect to the principle of preferential procurement;

**AND WHEREAS** local economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities;

**NOW THEREFORE** the Council of the Polokwane Municipality resolves in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 that the principles embodied in the Preferential Procurement Regulations, 2022 are herewith integrated into the Polokwane Municipality's Supply Chain Management Policy to form the basis of the evaluation criteria for quotations and competitive bids.

**POLOKWANE MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART B**

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**DEFINITIONS AND APPLICATION**

**1 Definitions**

In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

- "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** means an association of persons for the purpose of

**POLOKWANE MUNICIPALITY**  
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- Venture"** 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;



<b>“designated sector”</b>	means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
<b>"Firm price"</b>	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
<b>"Functionality"</b>	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
<b>“imported content”</b>	means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty,

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<b>“local content”</b>	sales duty or other similar tax or duty at the South African port of entry; means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
<b>“Micro-Enterprise”</b>	means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack `formality` in terms of business

licences, value-added tax (VAT) registration, formal business premises, operating permits, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro-enterprises advance into viable small businesses. Earning levels of microenterprises differ widely, depending on the particular sector, the growth phase of the business and access to relevant support.

<b>"Non-firm prices"</b>	means all prices other than "firm" prices;
<b>"Person"</b>	includes reference to a juristic person;
<b>"Rand value"</b>	means the total estimated value of a contract in South African currency, calculated at the time of bid invitations and includes all applicable taxes and excise duties;
<b>"stipulated minimum threshold"</b>	means that portion of local production <b>and content</b> as determined by the Department of Trade and Industry;
<b>"Sub-Contract"</b>	means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
<b>"Survivalist Enterprise"</b>	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little

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capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.

<b>"Tender"</b>	means a written offer in a prescribed or stipulated form in response to an invitation by the Polokwane Municipality for the provision of services, works or goods, through price
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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.

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**2 Application, Objectives & General Requirements**

**2.1 Application**

The Polokwane Municipality must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Regulations.

**2.2 Objectives**

The objectives of Councils' policy are to:

- 1) Provide clarity on the municipality's approach to procurement, particularly with regards to requirements of preferential procurement;
- 2) Provide access to contracts for historical disadvantaged individuals;
- 3) Promote participation by SMMEs as amended from time to time;
- 4) Promote capacity development and skills transfer;
- 5) Promote Local Economic Development.

**2.3 General requirements**

- 1) Any specific goal required for consideration in the bidding process must be clearly determined by the Bid Specification Committee and be defined in the bid documentation, taking into account prescriptions of the Construction Industry Development Board [CIDB] in respect of construction related contracts.
- 2) Outputs required will be quantified and will form part of the contractual arrangement upon awarding of the contract.

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**PREFERENCE POINT SYSTEM AND SPECIFIC GOALS, EVALUATION OF BIDS ON FUNCTIONALITY, AWARD OF CONTRACTS TO BIDDERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF BIDS**

**3 Planning and stipulation of preference point system to be utilized**

- 1) The Polokwane Municipality must, prior to making an invitation for bids -
  - a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for bids is to be made; and
  - b) determine and stipulate the appropriate preference point system and specific goals to be utilized in the evaluation and adjudication of the bids.
  - c) determine whether the services, works or goods for which an invitation is to be made has been designated for local production and content in terms of Clause 9.

3. Specific Goals

**Identification of specific goal**

Specific goals means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

Preference points for specific goals as follow:

**A maximum of 20 points may be awarded to a tender for the specific goal for the tender.**

**Specific goal specified for the tender for preference point system and attachment.**

**80/20**

<b>Preference points for specific goals</b>	<b>Means of verification</b>	<b>Number of Points</b>
Black	Identification document	0-20

Woman	Identification document	0-20
People with disability	Medical report indicating disability	0-20
Youth	Identification document	0-20
Locality	Proof of Residence	0-20

A maximum of points may be awarded to a tender for the specific goal for the tender.

Specific goal specified for the tender for preference point system and attachment.

**90/10**

Preference points for specific goals	Means of verification	Number of Points
Black	Identification document	0-10
Woman	Identification document	0-10
People with disability	Medical report indicating disability	0-10
Youth	Identification document	0-10
Locality	Proof of Residence	0-10

**4 Evaluation of bids based on functionality**

- 1) The Polokwane Municipality must in the bid documents indicate if, in respect of a particular bid invitation, bids will also be evaluated on functionality;
- 2) The evaluation criteria for measuring functionality must be objective.
- 3) When evaluating bids on functionality, the-
  - a) evaluation criteria for measuring functionality,
  - b) the weight of each criterion,
  - c) the applicable values; as well as
  - d) the minimum qualifying score for functionality, must be clearly indicated in the bid documents.

- 4) A bid must be disqualified if it fails to achieve the minimum qualifying score for functionality as indicated in the bid documents; and
- 5) Bids that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems prescribed in Clause 5 and 6.
- 6) The Municipality reserves the rights to use the quality based selection method for tenders deemed to be complex in nature.

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**5 The 80/20 preference point system for acquisition of goods, works and / or services up to a Rand value of R50 million**

- 1)(a) The following formula must be used to calculate the points out of 80 for price in respect of competitive bids / price quotations with a Rand value equal to or below a Rand value of R50 000 000 (all applicable taxes included):

$$P_s = 80 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

$P_s$  = Points scored for comparative price of bid / offer under consideration

$P_t$  = Comparative price of bid / offer under consideration

$P_{min}$  = Comparative price of lowest acceptable bid / offer.

- 1)(b) The Polokwane Municipality may, however, apply this formula for price quotations with a value less than R 30 000, if and when appropriate.
- 2) A maximum of 20 points must be awarded to a bidder for the Specific goal specified in the tender.
- 3) The Points scored for the specific goal must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- 4) Only the bid with the highest number of points scored may be selected or awarded the bid.

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**6 The 90/10 preference point system for acquisition of goods, works and / or services with a Rand value above R50 million**

- 1) The following formula must be used to calculate the points out 90 for price in respect of bids with a Rand value above R50 000 000 (all applicable taxes included):

$$Ps = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

- 2) A maximum of 10 points may be awarded to a bidder for the Specific goal specified for the tender.
- 3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 4) Only the bid with the highest number of points scored may be selected or awarded the bid.
- 7) 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million.**

- (1) The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80 \left( 1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where



Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

**8) 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million.**

(1) The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

Where

$$Ps = 90 \left( 1 + \frac{Pt - Pmax}{Pmax} \right)$$

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

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**9 Award of contracts to bids not scoring the highest number of points**

A contract may be awarded to a tenderer that did not score the highest total number of points if objective criteria in addition to specific goals justify the award to another tenderer.

**10 Criteria for breaking deadlock in scoring**

If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals

If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots

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**13. Conditions**

- 1) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.
- 2) The Polokwane Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.
- 3) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is processed.
- 4) Points scored must be rounded off to the nearest 2 decimals places.
- 5)
  - a) In the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for specific goals.
  - b) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for Specific goals, the successful tender must be the one scoring the highest score for functionality.
  - c) Should two or more tenders be equal in all respects; the award shall be decided by the drawing of lots.
- 6) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 7) When the Polokwane Municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.
- 8)
  - a) Should the Polokwane Municipality require a service that can be provided by one or more tertiary institutions or public sector, the appointment of a contractor must be done by means of a tendering process;

**14. Declarations**

- 1) A tender must, in the manner stipulated in the document, declare that-
  - a) the information provided is true and correct;
  - b) the signatory to the tender document is duly authorised; and
  - c) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the Polokwane Municipality.

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**15. Remedies**

1) If Polokwane Municipality is of the view that a tenderer submitted false information regarding a specific goal, it will: -

- (a) inform the tenderer accordingly; and
- (b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.

(2) After considering the representations referred to in subregulation (1)(b), the organ of state may, if it concludes that such information is false—

- (a) disqualify the tenderer or terminate the contract in whole or in part; and
- (b) if applicable, claim damages from the tenderer.
- (c) restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (d) forward the matter for criminal prosecution.

**16. Tax clearance**

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Services to be in order.

**17. Mechanisms to support preferential procurement**

1) Determination of bid requirements in relation to bid value

The municipality will set targets for the supply of goods and services, and link specific requirements relating to enterprise with HDI ownership and/or SMME status.

2) Establishment/maintain a database of SMME service providers

The municipality will establish a database of HDI, SMME and other service providers in order to track their records of services to the municipality.

3) Creation of an enabling environment

The municipality will create an enabling environment to enable SMMEs to become part of the supply chain management process. Steps to be taken include, but are not limited to:

- a) Surety Requirements

See the SCM Policy, clause 21(1)(f) regarding the lesser extent that sureties are called for.

b) Access to Bidding Information

Bidding and related information will, where possible and practical, be made available in a simplified and uncomplicated format to assist new and emerging enterprises and any business or organisation bidding for municipal business.

c) Bidding Advice Centre

Assistance will, where practically possible, be provided by the SCM Unit to increase SMME awareness and share in the supply chain and procurement process.

d) Proposed Process

i) Bids shall be packaged into suitably sized segments of subcontractors to target SMMEs wherever possible.

ii) A review of all term (period) contracts shall be undertaken to assess the viability of packaging these into smaller sub-contracts. These bids should be issued in smaller manageable sub-contracts so that preference can be given to local SMMEs.

iii) Appropriate standards, specifications, delivery dates and related contractual obligations shall be employed to help smaller businesses to cope and compete.

e) Standard payment terms

i) All money owed by the municipality must be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

f) Simplification of Tender Documentation

i) Bid submission documents will be rationalised and simplified to make it easier for small businesses to deal with the paperwork involved in tendering.

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- ii) All bid submission forms shall be regularly reviewed and the various bid/contractual documents shall be standardised as far as possible.
- iii) Essential information shall be consolidated and bid forms reformatted in line with the aims of this policy.
- h) Retention
  - i) Retention on Major contracts should be limited to 5% of the tender sum.  
Where the value of the surety required has been reduced, or even waived, the usual 10% retention shall apply. The value of retention deducted will therefore be as follows:
    - a) **Micro and Minor:** 10% of the value of work carried out with no limit, reducing to 5% for the duration of the maintenance period.
    - b) **Major:** 10% of the value of the work carried out, up to a limit of 5% of the tender sum, with no reduction for the duration of the maintenance period.
  - ii) Retention in respect of the procurement of goods and services will not generally be called for, but where required, will be in accordance with the limits described above.
  - iii) For turnkey/design and construction projects, the above retention limits may be reviewed by the Municipality's Director: Infrastructure and Planning.
- i) Bid Advertising

In order to reach the largest number of HDI owned and SMME service providers possible, the Municipality will advertise invitations to bid through a range of media.

  - a) The Municipality will provide an appropriate time period within which bidders can request additional clarification and will be sensitive to the issues of language in this regard.

**18. SHORT TITLE**

This part of the policy is called the Preferential Procurement Policy of the Polokwane Municipality.

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## **GENERAL PRINCIPLES GOVERNING THE MUNICIPALITY IN ITS INTERACTION WITH BIDDERS**

In dealing with bidders bidding for municipal work, the municipality will adhere to the basic principles of:

### **1 Efficiency**

- a) The municipal officials must administer the procurement process in the most efficient manner possible, avoiding time delays and duplication of activities.
- b) Where such delays are unavoidable, the municipal officials must inform all bidders of the nature of the delay and the revised time frames.

### **2 Courtesy**

All staff members of the Municipality will deal with bidders in a courteous and respectful manner.

### **3 Transparency**

- a) All bid processes will be open to the legal scrutiny of the public and interested parties.
- b) The Municipality will take all reasonable steps to ensure that the processes are clearly defined and understandable to all interested parties.

### **4 Access to information**

The Municipality will take reasonable steps to ensure that all bidders have equal access to information on the goods or services to be bid for, as well as the bid process itself.

### **5 Fair distribution of work**

The Municipality will take reasonable steps to make sure that the procurement of goods or services is fairly distributed amongst the service providers in the event of equality of bids. This will be done to avoid the excessive procurement of goods or services from one provider/supplier only.

### **6 Competition**

The municipality will encourage fair competition between suppliers that provide goods and services to it.

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**ANNEXURE B**

**CRITERIA TO EVALUATE TECHNICAL AND FINANCIAL ABILITY**

Regardless of the scope and value of the contracts involved, all contracts will be judged on grounds of:

**1. Compliance with bid conditions:**

- 1.1 Bids submitted on time
- 1.2 Bid forms signed.
- 1.3 All essential information provided

**2. Meeting technical specifications and compliance with bid conditions**

- 2.1 Where requested in bid documentation, bidders must describe how they will produce the required outputs outlined in the bid documentation in terms of either goods or services.
- 2.2 The ability to produce the required goods or services within the stated time frame may be included as criteria for compliance.

**3. Infrastructure and resources available**

Bidders must indicate their capacity i.e. the extent of infrastructure under their control and resources available to enable them to execute the contract.

**4. Quality/ Durability**

- 4.1 Where requested, bidders must provide evidence that they will be able to adhere to generally accepted levels of quality in the provision of the product or services under consideration.
- 4.2 Where bidders are so requested, they must clearly explain their mechanisms for quality assurance and review.

**5. Size of enterprise and current workload**

- 5.1 Bidders must give an indication of the resources available for the contract they are bidding on.
- 5.2 Bidders must give an indication of the number and value of other contracts being undertaken by them at the date of bid, as to enable the Municipality to ascertain their ability to execute the contract.

**6. Staffing profile**

- 6.1 Bidders must indicate the number of full-time employees employed by the company in Polokwane at the time of bidding. Such information



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must include a breakdown in terms of race and gender at top and middle management levels.

- 6.2 Bidders must also indicate the experience of top and middle management staff, especially where the experience of the company as a whole is limited.
- 6.3 Bidders must indicate the number of disabled persons employed.

**7. Previous experience**

- 7.1 Bidders must indicate the number of years that they have been operating their business.
- 7.2 Bidders must provide evidence of previous experience in providing the goods or services under consideration, by providing a minimum of three contactable and relevant references.

**8. Financial ability to execute the contract**

- 8.1 Bidders must indicate the revenue generated by their company in the previous financial year.
- 8.2 Bidders must provide an indication of their financial ability to execute the contract.

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**ANNEXURE C**

**CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS**

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

**1. General Principles**

- 1.1 The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
- 1.2 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- 1.3 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

**2 Conflict of interest**

**An official or other role player involved with supply chain management –**

- 2.1 must treat all providers and potential providers equitably;

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- 2.2 may not use his or her position for private gain or to improperly benefit another person;
- 2.3 may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- 2.4 must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- 2.5 must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality ;
- 2.6 must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- 2.7 must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- 2.8 should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- 2.9 should not take improper advantage of their previous office after leaving their official position.

**3 Accountability**

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system.

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- 3.5 Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 3.6 Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 3.7 Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including:
- i) any alleged fraud, corruption, favouritism or unfair conduct;
  - ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
  - iii) any alleged breach of this code of conduct.
- 3.8 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose.
- 3.9 Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

**4 Openness**

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

**5 Confidentiality**

- 5.1 Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.
- 5.2 Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

**6 Bid Specification / Evaluation / Adjudication Committees**

- 6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2 Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

- 6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

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- 6.4 No person should –

6.4.1 interfere with the supply chain management system of the municipality; or

6.4.2 amend or tamper with any price quotation / bid after its submission.

**7. Combative Practices**

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

7.1 Suggestions to fictitious lower quotations;

7.2 Reference to non-existent competition;

7.3 Exploiting errors in price quotations / bids;

7.4 Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters

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SUPPLY CHAIN MANAGEMENT POLICY – PART C**

**Polokwane Municipality's SCM Policy for  
Infrastructure procurement and delivery management**

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## <sup>1</sup> **Scope**

This policy establishes the Polokwane Municipality's policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:

- a) the storage of goods and equipment following their delivery to Polokwane Municipality which are stored and issued to contractors or to employees;
- b) the disposal or letting of land;
- c) the conclusion of any form of land availability agreement;
- d) the leasing or rental of moveable assets; and
- e) Public private partnerships.

## <sup>2</sup> **Terms, definitions and abbreviations**

### **2.1 Terms and definitions**

For the purposes of this document, the definitions and terms given in the standard and the following apply:

**Agent:** person or organization that is not an employee of Polokwane that acts on the Polokwane's behalf in the application of this document

**Authorised person:** the municipal manager or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

**Conflict of interest:** any situation in which:

- a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,
- b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or
- c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

**Contract manager:** person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

**family member:** a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

**Framework agreement:** an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

**Gate:** a control point at the end of a process where a decision is required before proceeding to the next process or activity



**Gateway review:** an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

**Gratification:** an inducement to perform an improper act

**Infrastructure delivery:** the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

**Infrastructure procurement:** the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

**Maintenance:** the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

**Operation:** combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

**Order:** an instruction to provide goods, services or any combination thereof under a framework agreement

**Organ of state:** an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

**Procurement document:** documentation used to initiate or conclude (or both) a contract or the issuing of an order

**principal:** a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

**Standard:** the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

**Working day:** any day of a week on which is not a Sunday, Saturday or public holiday

## 2.2 Abbreviations

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

## <sup>3</sup>General requirements

### 3.1 Delegations

**3.1.1** The **Council of Polokwane** hereby delegates all powers and duties to the Municipal Manager which are necessary to enable the Municipal Manager to:

- a) Discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the Local Government Municipal Finance Management Act of 2003 and this document;
- b) Maximise administrative and operational efficiency in the implementation of this document;

c) Enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document and;

d) Comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

**2.1.2** No departure shall be made from the provisions of this policy without the approval of the Municipal Manager of Polokwane Municipality

**3.1.3** The **Municipal Manager** shall for oversight purposes:

- a) within 30 days of the end of each financial year, submit a report on the implementation of this the policy and the equivalent policy of any municipal entity under the sole or shared control of the Polokwane Municipality, to the council of the Polokwane Municipality / within 20 days of the end of each financial year, submit a report on the implementation of this policy to the board of directors, who must then submit the report to the municipal manager of Polokwane Municipality for submission to the council;
- b) whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the Council,
- c) within 10 days of the end of each quarter, submit a report on the implementation of the policy to the Executive Mayor; and
- d) make the reports public in accordance with section 21A of the Municipal Systems Act of 2000.

### **3.2 Implementation of the Standard for Infrastructure Procurement and Delivery Management**

**3.2.1** Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition of the National Treasury Standard for Infrastructure Procurement and Delivery Management.<sup>5</sup>

**3.2.2** Pre-feasibility and feasibility reports are required on 15 June 2016

### **3.3 Supervision of the infrastructure delivery management unit**

The Infrastructure Delivery Management Unit shall be directly supervised by the Chief Financial Officer.

### **3.4 Objections and complaints**

Persons aggrieved by decisions or actions taken in the implementation of this policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

### **3.5 Resolution of disputes, objections, complaints and queries**

**3.5.1** The **Municipal Manager** shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of dispute between the Municipality and other persons regarding :-

- a) any decisions or actions taken in the implementation of the supply chain management system;
- b) any matter arising from a contract awarded within the Polokwane Municipality's infrastructure delivery management system; or
- c) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

**3.5.2** The Designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.

**3.5.3** The person appointed in terms of 3.5.1 shall:

- a) strive to resolve promptly all disputes, objections, complaints or queries received; and
- b) submit monthly reports to the Municipal Manager on all disputes, objections, complaints or queries received, attended to or resolved.

**3.5.4** A dispute, objection, complaint or query may be referred to the **Limpopo Treasury** if:

- a) the dispute, objection, complaint or query is not resolved within 60 days; or
- b) no response is forthcoming within 60 days.

**3.5.5** If the **Limpopo treasury** does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

### **Control framework for infrastructure delivery management**

#### **4.1 Assignment of responsibilities for approving or accepting end of stage deliverables<sup>12</sup>**

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

#### **4.4 Gateway reviews**

##### **4.4.1 Gateway reviews for major capital projects above a threshold**

**4.4.1.1 The Municipal Manager** shall appoint a gateway review team in accordance with the provisions of clause 4.1.13.1.2 of the standard to undertake gateway reviews for major capital projects.

**Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery**

**Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery**

Stage		Person assigned the responsibility for approving or accepting end of stage deliverable	
<b>NO</b>	<b>Name</b>		
0	Project Initiation	Director Engineering accepts the initiation report	
1	Infrastructure planning	Director Engineering approves the infrastructure plan	
2	Strategic resourcing	Director Engineering approves the delivery and /or procurement strategy	
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 <i>[Designated person]</i> accepts the close out report

<sup>5</sup> **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**

**6.1.1.1.1A** 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 <b>PG1</b>	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Municipal Manager
	Decide on	2.5	Obtain approval for procurement strategies that	Confirm selection of strategies so that tender	

2*	procurement strategy	<b>PG2</b>	are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	offers can be solicited	Municipal Manager
3	Solicit tender offers	3.2 <b>PG3</b>	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Procurement documentation committee
		3.3 <b>PG4</b>	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	Chief Financial Officer
4	Evaluate tender offers	4.2 <b>PG5</b>	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Manager: Supply Chain Management
		4.7 <b>PG6</b>	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	Tender committee
5	Award contract	5.3 <b>PG7</b>	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Municipal Manager
		5.5 <b>GF1</b>	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	Chief Financial Officer



**Table 2 (concluded)**

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 <b>PG8A</b>	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Municipal Manager
		6.5 <b>PG8B</b>	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Municipal Manager
		6.6 <b>PG8C</b>	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage <sup>21</sup>	Approve amount of time and cost overruns up to the threshold	Municipal Manager
		6.7 <b>PG8D</b>	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	Municipal Manager
		6.8 <b>PG8E</b>	Obtain approval to cancel or terminate a contract	Approve amount	Municipal Manager
		6.9 <b>PG8F</b>	Obtain approval to amend a contract	Approve proposed amendment to contract	Municipal Manager

**Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement**

6.1.1.3

<b>Activity</b>		<b>Key action</b>	<b>Person assigned responsibility to perform key action</b>
1 <b>FG1</b>	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 <b>FG2</b>	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Municipal Manager
4 <b>FG3</b>	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Chief Financial Officer
6 <b>FG4</b>	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject Recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	Chief Financial Officer

## **Evaluation committee**

**6.1.1.3.1** The **Municipal Manager** shall appoint on a procurement by procurement basis in writing:

- a) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and
- b) the members of the evaluation committee.

**6.1.1.3.2** The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Polokwane Municipality with requisite skills. Other members shall include a supply chain management practitioner and, where relevant, include an official from the department requiring infrastructure delivery.

**6.1.1.3.3** The evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

- a) the capability and capacity of a tenderer to perform the contract;
- b) the tenderer's tax and municipal rates and taxes compliance status;
- c) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
- d) the Compulsory Declaration has been completed; and
- e) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

**6.1.1.3.4** No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

**6.1.1.3.5** The chairperson of the evaluation committee shall promptly notify the Chief Financial Officer of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

### **6.1.1.4 Tender committee<sup>23</sup>**

**6.1.1.4.1** The tender committee shall comprise of least four Senior Managers or their mandated delegate including the following :

- a) Chief Financial Officer who shall be the chairperson:
- b) Manager Supply Chain Management
- c) Technical Expert in the relevant field

**6.1.1.4.2** No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

**6.1.1.4.3** The tender committee shall:

- a) consider the report and recommendations of the evaluation committee and:
  - 1) verify that the procurement process which was followed complies with the provisions of this document;
  - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
  - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
  - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- b) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

**6.1.1.4.4** The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

**6.1.1.4.5** The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.

**6.1.1.4.6** The tender committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

**6.1.1.4.7** The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- a) made a misrepresentation or submitted false documents in competing for the contract or order; or
- b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

**6.1.1.4.8** The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

be informed where such tenderers are disregarded.

## **6.1.2 Actions of an authorised person relating to the award of a contract or an order**

### **6.1.2.1 Award of a contract**

**6.1.2.1** The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the

**6.1.1.4.4** No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

**6.1.1.4.5** The tender committee shall:

- c) consider the report and recommendations of the evaluation committee and:
  - 1) verify that the procurement process which was followed complies with the provisions of this document;
  - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
  - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
  - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- d) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

**6.1.1.4.8** The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

**6.1.1.4.9** The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.

**6.1.1.4.10** The tender committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

**6.1.1.4.11** The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- c) made a misrepresentation or submitted false documents in competing for the contract or order; or
- d) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

**6.1.1.4.8** The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

be informed where such tenderers are disregarded.

### **6.1.3 Actions of an authorised person relating to the award of a contract or an order**

#### **6.1.2.2 Award of a contract**

**6.1.2.1** The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender committee, or in the

case of the awards for contracts below the quotation threshold, the recommendation of the designated person and either:

- a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- b) decide not to proceed or to start afresh with the process.

**6.1.2.2** The authorised person shall immediately notify the Designated Person if a tender other than the recommended tender is awarded, save where the recommendation is changed to rectify an irregularity. Such person shall, within 10 working days, notify in writing the Auditor-General, the National Treasury and Limpopo Treasury, and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

### **6.1.2.3 Issuing of an order**

The authorised person shall, if the value of an order issued in terms of a framework contract, is within his  
Of the \_\_\_\_\_ as

Relevant, and either:

- a) authorise the issuing of an order in accordance with the provisions of clause 4.25 of the standard; or
- b) Decide not to proceed or to start afresh with the process.

## **6.1.3 Conduct of those engaged in infrastructure delivery**

### **6.1.3.1 General requirements**

**6.1.3.1.1** All personnel and agents of **Polokwane Municipality** shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- a) behave equitably, honestly and transparently;
- b) discharge duties and obligations timeously and with integrity;
- c) comply with all applicable legislation and associated regulations;
- d) satisfy all relevant requirements established in procurement documents;
- e) avoid conflicts of interest; and
- f) Not maliciously or recklessly injure or attempt to injure the reputation of another party.

**6.1.3.1.2** All personnel and agents engaged in **Polokwane Municipality's** infrastructure delivery management system shall:

- a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;

- c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- e) ensure that resources are administered responsibly;
- f) be fair and impartial in the performance of their functions;
- g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- h) not abuse the power vested in them;
- i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- j) assist Polokwane Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;
- k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- l) not make false or misleading entries in reports or accounting systems; and
- m) Keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

**6.1.3.1.2** An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

#### **6.1.3.2 Conflicts of interest**

**6.1.3.2.1** The employees and agents of **Polokwane Municipality** who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

- a) disclose in writing to the employee of the Polokwane Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and
- b) not participate in any activities that might lead to the disclosure of Polokwane Municipality proprietary information.

**6.1.3.2.2** The employees and agents of Polokwane Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

**6.1.3.2.3** Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in Polokwane Municipality's interest to do so, submit a tender for work associated with such documents provided that:

- a) Polokwane Municipality states in the tender data that such an agent is a potential tenderer;

- b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- c) the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

#### **6.1.3.3 Evaluation of submissions received from respondents and tenderers**

**6.1.3.3.1** The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- a) not have any conflict between their duties as an employee or an agent and their private interest;
- b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to Polokwane Municipality.

**6.1.3.3.2** The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of Polokwane Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

**6.1.3.3.3** Polokwane Municipality personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

#### **6.1.3.4 Non-disclosure agreements**

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect Polokwane Municipality's confidential information and interests.



**6.1.3.5.1** The employees and agents of Polokwane Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- a) money, loans, equity, personal favours, benefits or services;
- b) overseas trips; or
- c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

**6.1.3.5.3** The employees and agents of Polokwane Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

**6.1.3.5.4** All employees and agents of Polokwane Municipality may for the purpose of fostering inter-personal business relations accept the following:

- a) meals and entertainment, but excluding the cost of transport and accommodation;
- b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- e) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have declared them to the Municipal Manager.

**6.1.3.5.5** Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

**6.1.3.5.6** Employees and agents of Polokwane Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

#### **6.1.3.6 Reporting of breaches**

Employees and agents of Polokwane Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

#### **6.1.4 Measures to prevent abuse of the infrastructure delivery system**

The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

### **6.1.3.5 Gratifications, hospitality and gifts**

**6.1.3.5.2** The employees and agents of Polokwane Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

**6.1.3.5.3** The employees and agents of Polokwane Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- d) money, loans, equity, personal favours, benefits or services;
- e) overseas trips; or
- f) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

**6.1.3.5.5** The employees and agents of Polokwane Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

**6.1.3.5.6** All employees and agents of Polokwane Municipality may for the purpose of fostering inter-personal business relations accept the following:

- e) meals and entertainment, but excluding the cost of transport and accommodation;
- f) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- g) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- h) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- f) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have declared them to the Municipal Manager.

**6.1.3.5.7** Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

**6.1.3.5.8** Employees and agents of Polokwane Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

### **6.1.3.7 Reporting of breaches**

Employees and agents of Polokwane Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

### **6.1.5 Measures to prevent abuse of the infrastructure delivery system**

The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

- a) take steps against an employee or role player and inform the National Treasury and Limpopo Treasury of those steps;
- b) report to the South African Police Service any conduct that may constitute a criminal offence;
- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;
- d) cancel a contract if:
  - 1) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
  - 2) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

#### **6.1.5 Awards to persons in the service of the state**

**6.1.5.1** Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

- a) a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;
- b) a member of the board of directors of any municipal entity;
- c) an official of any municipality or municipal entity;

### **7. DATE OF IMPLEMENTATION**

This policy takes effect from 1 July 2024 and will be reviewed annually during the budgetary process of the Municipality.





**FINAL**  
**SUBSISTENCE AND TRAVELLING**  
**POLICY**

**2024-2025**

## DIRECTORATE CORPORATE AND SHARED SERVICES

### **BUSINESS UNIT: HUMAN RESOURCES**

**ITEM:**

**REF NO:**

### REVISED SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY

#### Report of the Manager Human Resources

#### PURPOSE

The purpose of the report is to obtain approval of the revised Subsistence and Travelling Allowance Policy.

#### **DISCUSSION**

Council resolved in 2008 to update the Subsistence and Travel (S & T) Allowance policy by agreeing on new tariffs. The S&T Policy differs from the travelling allowance that is paid to officials for using their personal vehicles to perform duties for the Municipality.

The rates that were approved in 2008 are reviewed annually and are adjusted in line with standard applicable procedures and guidelines (e.g. SARS annual guidelines applicable to S & T and MFMA Circular **97**).

The rates are as follows:

<b>DESCRIPTION</b>	<b>PREVIOUS</b>	<b>NEW REVISED</b>
*Day Allowance : Incidental Costs	R161.00	R169.00
Overnight Allowance – own booking (D,B&B incl)	R843.00(Inclusive)	R885.00(Inclusive)
<b>Meals:</b>	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package or where employees made their own accommodation arrangements		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

**\*Foot Note: The items marked with an asterisk will be amended annually in terms of the SARS Guidelines as attached marked “Annexure C” and/or applicable MFMA Circulars, e.g. MFMA Circular 97**

### Day allowance

Day allowance will be increased from R161.00 to R169.00 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 R169.00 for every day away from his home base.

<b>DESCRIPTION</b>	<b>PREVIOUS</b>	<b>NEW REVISED</b>
Overnight Allowance	Council paid in advance	Council paid in advance
Day away (for every day)	R161.00	R169.00
Day of return ( <b>longer</b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

#### **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:

<b>DESCRIPTION</b>	<b>PREVIOUS</b>	<b>NEW REVISED</b>
Overnight Allowance – own booking (D,B&B incl)	R843.00(Inclusive)	R885.00(Inclusive)
Day away (for every day)	R161.00	R169.00
Day of return ( <b>longer</b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	-	-
* Lunch	-	-
* Dinner	-	-
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

### 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 <b>(Department of Transport)</b>	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>
Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

### Comments: Chief Financial Officer

### RECOMMEND

1. That Council approves the Revised Subsistence and Travelling Allowance Policy attached as Annexure “A”, S & T Procedures attached as Annexure “B” and the Claim form attached as Annexure “D”.

2. That Council approves Subsistence and Travelling allowances as to be paid follows:

DESCRIPTION	PREVIOUS	NEW REVISED
*Day Allowance : Incidental Costs	R161.00	R169.00
Overnight Allowance – own booking (D,B&B incl)	R843.00(Inclusive)	R885.00(Inclusive)
<b>Meals:</b>	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		



**Day allowance / Overnight allowance:** (Where all accommodation is being arranged and paid for by Council in advance):

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance	Council paid in advance	Council paid in advance
Day away (for every day)	R161.00	R169.00
Day of return ( <b>longer</b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

**Day allowance / Overnight allowance:** (Where the person travels at his/her own costs):

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance - own booking(D,B&B incl)	R843.00(Inclusive)	R885.00(Inclusive)
Day away (for every day)	R161.00	R169.00
Day of return ( <b>longer</b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	-	-
* Lunch	-	-
* Dinner	-	-
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

### **Travel Allowance**

DESCRIPTION	PREVIOUS	NEW
Travel Costs	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )
Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

3. That all accommodation be booked in hotels or other accommodation in line with the policy.
4. That the allowances in respect of Day Allowance, Overnight Allowance – own booking, Breakfast, Lunch, Dinner, travelling inside and outside RSA borders and Prescribed rate per kilometer be amended annually in terms of the SARS Guide for employers in respect of allowances attached as Annexure “C”, and/or applicable MFMA Circulars, e.g. MFMA Circular 97; the inflation rate with specific reference to Overnight allowance – own booking and Tariffs for the Use of Motor Transport (**Department of Transport**); and that the amendments be effective from 1<sup>st</sup> July of each year.

### **IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality’s strategic objectives and with legislation

**ANNEXURE “A”****POLICY FOR TRAVELLING AND SUBSISTENCE ALLOWANCES****INDEX**

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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.

**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 prescribed form is approved by the delegated approving person.

## **6. CONDITIONS AND IMPLEMENTATION**

### **6.1. Traveling Allowance**

- 6.1.1. The Council reserves the right to determine on the cost effective grounds, the means of transport when an official is delegated by the Council to attend an occasion.
- 6.1.2. More than one official delegated by Council to attend the same occasion must as far as possible use one vehicle and the discretion lies with the relevant manager and that will be controlled by the availability of funds within the budget.
- 6.1.3. Subject to the provisions of sub clause 5.1 an official who is delegated to attend an occasion at a centre further than the Limpopo Province and which is serviced by a recognized and/or registered airline shall be afforded the opportunity to make use of air transport. The decision will be based on cost effectiveness.
- 6.1.4. Should a person be delegated to attend an occasion, he/she will be entitled to an accommodation allowance and 100% of the running cost or the tariff determined by the Council irrespective of whether the person get a traveling allowance or not. In case of public transport, the actual cost incurred will be payable.
- 6.1.5. Subject to sub clause 6.1.4. the person delegated to attend an occasion presented over a continuous period of time will be entitled to a travelling allowance as determined in 6.1.4 in order to enable the person to visit his normal home every second weekend within the duration of the occasion.

### **6.2. Subsistence during the week**

Where a person travels within this range, a day allowance as determined by Council from time to time will be paid.

- This will only be paid for an occasion outside Polokwane Municipality area of jurisdiction
- Where an occasion that will take place is of the nature that the person will have to sleep over it will have to be approved by the Delegations above under paragraph (5) and will be handled accordingly.

#### **6.2.1. Outside a radius of 250 km from the Municipal Offices**

- Where a person travels outside a radius of 250 km from the Polokwane Municipal Offices and no accommodation is paid for or compulsory accommodation (meals included) is supplied, that person will be paid an inclusive overnight allowance as determined by Council from time to time.
- Where an advance and or compulsory accommodation (meals included) is provided, a person will be paid a day allowance only.
- Where accommodation is arranged for and paid for by Council and where no dinner is provided within the paid accommodation an additional amount as determined by Council from time to time will be paid as prove of actual cost.

### 6.3. Subsistence allowance during weekends

6.3.1. The payment of subsistence allowance during week days is *mutatis mutandis* applicable to the payment of subsistence during weekends.

6.3.2. Subsistence is not payable for those weekends wherefore in terms of sub clause 6.1.5 a locomotion allowance is payable in order to enable him to visit his/her home in the duration of the occasion.

### 6.4. Council has the choice between traveling costs and subsistence during weekends.

Council reserves the right regarding the decision whether a person should be compensated for travelling costs to his/her home or subsistence costs in order to enable the person to stay over the weekend should the duration of an occasion include a weekend.

### 6.5. Delegation of officials to the funeral of a deceased colleague.

6.5.1. If an employee in the service of Council dies, a maximum of four officials can be delegated to attend the funeral in an official capacity.

6.5.2. A maximum of one night and two days be paid to the officials delegated by Council within the rules as indicated in above clauses.

6.5.3. That only one vehicle be used and that travelling allowance be paid for one vehicle only.

6.5.4. That the travelling allowance as contemplated in 6.5.3 above be calculated as determined in 5.5.

### 6.6. Approval of Delegation

6.6.1 That authority to delegate Councilors and officials to attend an occasion resides the following authority.

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 prescribed form is approved by the delegated approving person.

## 7. HOTEL ACCOMODATION(DOMESTIC)

- 7.1. Actual cost limited to an amount as determined by MFMA **Circular 97** per night to cover the cost of bed and breakfast.
- 7.2. Polokwane Municipality to be invoiced for accommodation by travelling agency on hotel groups / guests houses, before departure.
- 7.3. Where a block booking is done Polokwane Municipality is to be invoiced by the coordinating organization before departure.
- 7.4. Alternatively, the official may prefer to stay privately, for which he can claim an amount as determined by the inflation rate on costs per night. The limited amount per night, bed and breakfast as determined by Council will apply in all other cases.
- 7.5. A daily allowance as determined by SARS guidelines for incidental expenses and meals as determined 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**

<b>Accommodation Grid</b>			
<b>Voucher Includes</b>	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drink at Dinner
<b>Graded Hotel, Boutique Hotel, Lodge or Resort</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R590	R730	R855
2 Star	R920	R1 050	R1 230
3 Star	R1,120	R1,230	R1,400
4 Star	R1,275	R1,380	R1,550
5 Star	R2,140	R2,250	R2,500



<b>Bed &amp; Breakfast, Country House or Guest house</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R 350	R495.00	R630.00
2 Star	R 510	R670.00	R830.00
3 Star	R 920	R1080.00	R1230.00
4 Star	R 1020	R1180.00	R1330.00
5 Star	R 1225	R1385.00	R1530.00
<b>Self-Catering*</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R 590		
2 Star	R 920		
3 Star	R 1 120		
4 Star	R 1 275		
5 Star	R 1 475		
<b>Meals**</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
Breakfast	R110	-	-
Lunch	R160	R160	R160
Dinner	R180	R180	-
<b>Total</b>	<b>R450</b>	<b>R340</b>	<b>R160</b>
<i>Accommodation costs are assumed to be inclusive of Parking and WI-FI (if available), and exclusive of Laundry Expenses.</i>			
<i>*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge. Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.</i>			
<i>**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.</i>			

- 7.9. If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated in a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.
- 7.10. Where there is an alternative star grading indicated in Table 1(i.e 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:
- The higher star graded facility is the only available option due to location and availability; or
  - The municipality has negotiated lower rates with the higher star graded facility.

## **8. FLIGHT (“Class” category of flight tickets)**

The Accounting Officer –

- 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
- May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting Officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an Accounting Officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways(BA) for upfront discounted air fares for government employees, including councillors, travelling domestically for official purpose.

For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.

For BA the discounts range from 10%(O, Q class) up to 25% (Y class) for Economy Class Tickets; and 20%(J Class) for Business Class tickets.

In order to make full use of the corporate discount with SAA and BA the municipality must instruct the appointed TMC's or persons making bookings for domestic airline tickets, to book against relevant deal codes as detailed in Annexure B of MFMA Circular 97.

## **9. VEHICLE RENTAL**

An official or a political office bearer of a municipality must utilize municipal fleet where viable, prior to hiring vehicles; make use of shuttle services, if the cost of such a service is below the cost of hiring a vehicle.

Officials and councilors must make use of the most cost effective option so as to reduce travel costs.

An official or a political office bearer of a municipality must not hire vehicles from a category higher than Group B or an equivalent class; and where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official or where the number of officials attending a specific event necessitate a higher class vehicle; written approval of the Accounting Officer must first be sought prior to hiring such a vehicle.

Officials and councilors can be permitted to accept up-graded group of hired vehicles if such an upgrade is offered with no extra charge or at a lower charge than a Group B vehicle.

## **10. ALLOWANCES: INTERNATIONAL**

### **10.1. Hotel Accommodation**

Actual costs with a maximum rand equivalent as determined by the Rand/Dollar exchange rate per day. Polokwane Municipality to be invoiced by the travelling agency for the accommodation before departure.

### **10.2. Subsistence allowance**

The rand equivalent as determined by the Rand/ foreign currency exchange rate to a maximum prescribed amount applicable to the relevant country as per SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel will be paid per day. The day of arrival and day of departure to be calculated as full days. The allocated amount is to be utilized for meals and incidental expenses such as laundry, telephone costs, bus fare, taxi, train fare, gifts, repairs etc.

That subsistence allowance for foreign visits per person is brought into line with financial policies, which determines differentiated subsistence rates for individual countries. These rates are determined and adjusted on an ongoing basis according to a data base supplied primarily by SARS.

## **11. FLIGHT**

The Accounting Officer –

- (a) May approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
- (b) May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an Accounting Officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

## **12. VEHICLE RENTAL (International)**

The lowest class of rental will be allowed, unless otherwise approved by Council. Four or less delegated attending the same conference, etc. are required to hire only one vehicle, even in cases where they have booked different accommodation. No advances on vehicle rental will be made available. A certified invoice from a traveling agency issued by a vehicle rental agency must be submitted to the Council for payment. Should a delegate need to travel to the airport to embark on a flight, the chauffeur service of the Council should be utilized to transport the delegate to the airport. Should the chauffeur service not be available, a delegate may use his own vehicle and will be compensated in accordance with the applicable AA tariffs. The cost of parking tickets to leave the vehicle at the airport and may be claimed from Council upon submission of original receipts.

### **13. VISAS**

Where applicable a visa/s is required for international visits the costs will be paid by Polokwane Municipality upon submission of an invoice or receipt from the travelling agency or embassy.

### **14. PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCE TO CANDIDATES ATTENDING INTERVIEWS FOR VACANT POSITIONS AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS.**

- 14.1. Travelling costs will be payable at 100% of the Department of Transport tariffs to candidates/external participants who have to travel far to attend interviews/disciplinary hearings and travel back again to their home/places of work. In the case of public transport, the actual costs incurred will be payable.
- 14.2. Travelling by air will only be allowed in exceptional cases after approval by the Municipal Manager. If a candidate/external participant on his/her own account do travel by air for an interview/disciplinary hearing and he/she has to rent a car to travel to Polokwane and back to the airport the payment for the latter will only be effected as per the stipulation of clause 14.1.
- 14.3. Payment of the above mentioned travelling costs will be subject to budget availability.

### **15. HOTEL ACCOMODATION FOR INTERVIEW CANDIDATES AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS:**

- 15.1. If a candidate/participant has to travel further than 500km to Polokwane, then he/she may be allowed to sleep over at the Council's expense, subject to budget availability.
- 15.2. Human Resources Management and Legal Services will be responsible for arranging accommodation and meals for short listed candidates and external disciplinary hearings participants, where applicable.
- 15.3. In cases where accommodation for short listed candidates and external participants in disciplinary hearings is necessary the actual accommodation cost will be paid by Council.
- 15.4. The need for possible group arrangement for accommodation will be determined when the short listed candidates are invited for interviews and external participants are being invited for disciplinary hearings.
- 15.5. It is the responsibility of Human Resources Management and Legal Services to inform the candidates and external disciplinary hearings participants of the contents of clause 14 of this Policy.

### **16. PROCEDURE**

All claims and procedures in terms of this policy will be determined by the CFO and all persons submitting claims must adhere to the stipulations thereof.

## **17. RESPONSIBILITY**

It is the responsibility of Directors/SBU Managers to ensure that Council's Policy with regard to accommodation and subsistence allowance is adhered to and that it shall at all times be scientifically funded and that all statutory provisions be adhered to.

It is the responsibility of each individual to inform the CFO if an occasion was cancelled and to repay any monies received in advance within two days of becoming aware.

## **18. DEVIATIONS FROM THE POLICY**

- 18.1. Specific circumstances necessitate deviations from the approved policy. These relate to:
- No time for prior travel booking through travel agencies.
  - Where accommodation cannot be arranged within the cost limit as stipulated in the policy.
  - Vehicles as stipulated not available.
- 18.2. In order to manage the travel and subsistence policy it is of most importance that any deviation be limited to exceptional circumstances. Should there be any deviations from the Subsistence and Travelling Allowance Policy it is recommended that prior written approval have to be granted as follows:
- Officials by the Director/ CFO and Municipal Manager
  - Municipal Manager by the Executive Mayor
  - Councilors and Members of the Mayoral Committee by the Executive Mayor
  - Executive Mayor by the Speaker.

Any deviation from the Subsistence and Travelling Allowance Policy should be submitted to Municipal Manager for consideration and approval prior to any visit.

## **19. GENERAL**

- Any travel arrangements should only be made after approval in terms of the approved set of delegations.
- Travel arrangements should be made timely in order to ensure that the maximum discount is received thereby minimizing the cost to the municipality.
- Prescribed rates per kilometer will be amended in line with Tariffs for the use of Motor Transport (Department of Transport).

## **20. IMPLEMENTATION AND REVIEW OF POLICY**

- This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

## **ANNEXURE “B”**

### **PROCEDURES TO CLAIM TRAVELLING AND SUBSISTENCE ALLOWANCES**

#### **1. AIM**

The aim of this procedure is to lay down procedures for Councilors and Officials to submit their claims for the payment of traveling and subsistence allowances and the use of their private vehicles.

#### **2. PROCEDURE**

##### **a. Application Form**

The relevant application form must be completed and approved by the delegated official for:

- Accommodation arrangements and payment therefore can be done;
- Flight tickets and or alternative transport arrangements can be done or payment can be made;
- Any motor vehicle hire arrangements can be done or paid for:

##### **b. Time limits**

All duly completed and approved claims must be submitted to the Office of the Financial Manager three (3) days before the actual cost will occur, in order to provide sufficient time for the Financial Manager to have enough cash available. A register with the Clerk processing the claims must be completed when a claim is submitted. The claim will be numbered and the Financial Manager will only be held responsible for claims written into the register.

##### **c. Payment Method**

Subsistence and traveling allowances will be handled as a cash advance to the maximum amount of R600-00. Any excess amount will be paid via cash focus directly into nominated accounts. Cash advances will be paid out the day before departure and cash will be transferred on Tuesdays for departures Wednesday and Thursday and on Thursdays for departures Friday, Monday and Tuesday.

##### **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. Dinner**

Claims in respect dinner 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.

##### **f. Supporting Documents**

- (i) prior principle approval for trip,
- (ii) agenda / purpose of trip and
- (iii) attendance register(s)etc.

##### **g. Responsibility**

It is the responsibility of each official / Councilor to make sure that he / she complies with this procedure.



**FINAL**

**TARIFF POLICY**

**2024/2025**

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## PREAMBLE

**Whereas** section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

**And whereas** the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

**And whereas** the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiations do not amount up to unfair discrimination;

**Now therefore** the Municipal Council of the Polokwane Municipality adopts the following Tariff Policy:

## 1. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

<b>“basic service”</b>	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
<b>“break even”</b>	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
<b>“capital contributions”</b>	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
<b>“Commercial Unit/Erft”</b>	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
<b>“community services”</b>	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
<b>“consumer, customer, owner, occupier, account holder”</b>	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied. The levying of tariffs, fees, charges, etc depends on statutory clauses, approved tariffs in terms of by-laws, contracts, agreements or tacit uses of services in certain circumstances. Such levies are payable on presentation of any invoice or monthly statement issued by the Municipal Manager. Payments are due by the date indicated for the transaction in an agreement, contract or on an invoice or monthly statement, as the case may be;
<b>“Council” or “municipal council”</b>	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane;
<b>“economic services”</b>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
<b>“lifeline”</b>	Available to pre-paid consumers whose connection is ≤30Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
<b>“fixed costs”</b>	means costs which do not vary with consumption or volume produced;
<b>“multi-purpose”</b>	In relation to a property, means the use of a property for more than one purpose;
<b>“Municipality”</b>	the institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane;
<b>“Municipal Manager”</b>	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty;
<b>“resident “</b>	means a person who normally resides in the municipal area;
<b>“residential unit”</b>	Means a single residential erven, flats, townhouse and group development, retirement villages, guest houses, bed and breakfast and households related consumers that do not fall in one of the above household consumer categories;
<b>“Non Residential ”</b>	Means any property or erven not zoned Res1 to Res 4, in terms of Polokwane municipality Town planning scheme unless in exceptional circumstances.
<b>“the Act”</b>	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
<b>“total cost”</b>	means the sum of all fixed and variable costs associated with a service;

<b>“trading services”</b>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
<b>variable costs”</b>	means costs that vary with consumption or volume produced;
<b>“wet Industry”</b>	Defined as an industry using water as essential and fundamental input in the production process.

## **2. PURPOSE OF POLICY**

The Polokwane Municipality wishes to achieve the following objectives by adopting this tariff policy:-

- 2.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- 2.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- 2.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

## **3. TARIFF PRINCIPLES**

The Polokwane Municipality wishes to record that the following tariff principles will apply:-

- 3.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.
- 3.2. Tariffs for the four major services rendered by the Municipality, namely:
  - (a) electricity;
  - (b) water;
  - (c) sewer (waste water); and
  - (d) refuse removal (solid waste),shall, as far as possible, be calculated at a level which will recover all expenses associated with the rendering of these services.
- 3.3. During the annual budget processes, the Municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the four major services generate operating surpluses.
- 3.4. Surpluses generated on major services will be determined during the approval of the annual operating budget.
- 3.5. Surpluses generated on major services shall be applied in relief of property rates.
- 3.6. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.
- 3.7. Capital contributions to finance new developments and subdivisions will be required from all developers.
- 3.8. All users of municipal services, within a category of users, will be treated equitably.
- 3.9. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.

- 3.10. The Municipality shall develop, approve, and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- 3.11. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution the Municipality may consider supplying free basic services to categories of consumers.
- 3.12. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis.
- 3.13. Tariffs must reflect the total cost of services.
- 3.14. Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-
  - (a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.
  - (b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services in order to subsidise property rates and general services.
  - (c) Service providers retain a fair rate of return on their investments.
- 3.15. Provision may be made in appropriate circumstances for surcharges on tariffs.
- 3.16. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.
- 3.17. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.
- 3.18. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating costs votes in the service budgets and including the costs in tariff calculations.
- 3.19. VAT is excluded in all tariffs unless indicated.
- 3.20. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.
- 3.21. A property used for multiple purposes must, for purposes related to the services concerned and the categories of users will be calculated at the appropriate and applicable rate for each distinct use of the property.
- 3.22. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by customers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing users.

#### **4. CATEGORIES OF CONSUMERS**

- 4.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change):
- (a) domestic consumers;
  - (b) commercial consumers;
  - (c) industrial consumers;
  - (d) agricultural consumers;
  - (e) organs of state;
  - (f) municipality;
  - (g) consumers with whom special agreements were made;
  - (h) consumers in certain geographical areas;
  - (i) sport and recreation facilities
  - (j) private schools & educational institutions; and
  - (k) public benefit organisations and such like institutions.
- 4.2. 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.
- 4.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- 4.4. Differentiated tariffs must be based on one or more of the following elements. infrastructure costs, volume usage, availability, and service standards.
- 4.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best taking into account the nature of the service concerned and the user or category of users involved.

#### **5. INCENTIVE POLICY.**

- 5.1. Tariffs will not reflect incentives for investment or to promote economic development.

#### **6. PROPERTY RATES POLICY.**

The property rates will be levied in terms of the Municipal Property Rates Act and the cent amount in a rand will be levied in a tariff schedule as approved by Council.

#### **7. INDIGENT RELIEF.**

- 7.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.
- 7.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.

- 7.3. During implementation of such policy, recognition will be taken that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.
- 7.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.
- 7.5. Assistance and management of indigent households are contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears. Water can be restricted to 6kl.

## **8. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS**

### **8.1. Service classification**

- 8.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories: -
- (i) trading services;
  - (ii) economic services;
  - (iii) community services; and
  - (iv) subsidised services.

- 8.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

### **8.2. Expenditure classification**

Expenditure will be classified in accordance with GRAP.

### **8.3. COST ELEMENTS.**

The following cost elements may be used to calculate the tariffs of the different services: -

- (a) "*Fixed costs*" which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.
- (b) "*Variable costs*" which include all other variable costs that have reference to the service.
- (c) "*Total cost*" which is equal to the fixed costs and variable costs.

## **9. TARIFF TYPES.**

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following five options or a combination thereof: -

### **9.1. "Single tariff":-**

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even.

Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

9.2. **“Cost related two to four-part tariff”:** -

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed.

Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

9.3. **“Inclining block tariff”:** -

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

9.4. **“Declining block tariff”:** -

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

9.5. **“Regulating tariff”:** -

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

10.6. **“Cost plus mark-up tariff”:** -

This tariff is for other services rendered.

**10. CALCULATION OF TARIFFS FOR MAJOR SERVICES.**

10.1. **General**

In order to determine the tariffs which must be charged for the supply of the four major services (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following: -

10.1.1. Cost of bulk purchases in the case of electricity and water.

10.1.2. Distribution costs, including distribution losses in the case of electricity and water.

10.1.3. Depreciation and finance charges.

10.1.4. Maintenance of infrastructure and other assets.

10.1.5. Administration and service costs, including: -

- (a) service charges levied by other support services, such as finance, human resources and legal services;
- (b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;
- (c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;
- (d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.

10.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.



10.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be executed before the 30 of September to be implemented for the specific financial year.

10.2. **ELECTRICITY.**

10.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.

10.2.2. The Municipality has standardized on the use of Pre Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre Payment Meters to Credit Meters will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Energy Services and by payment of the required change of meter fees as well as the required deposit.

10.2.3. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.

10.2.4. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

10.2.5. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.

10.2.6. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used: -

<b><u>CATEGORY OF CONSUMER</u></b>	<b><u>TARIFF COMPONENTS</u></b>				
	<b>Basic/Demand/Service Charge (Rand/consumer/month)</b>	<b>Active Energy Charge (cent/kWh/month)</b>	<b>Seasonally Time-of-use Energy Charge Peak / Standard /Off-peak (sent/kWh/month)</b>	<b>Level of consumption</b>	<b>Capacity Charge (Rand/KVA/month)</b>
<b>Single Phase:</b> (Domestic Prepaid /Conventional meters)	<b>X</b>	<b>X</b>		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	

<b>Single Phase:</b> (Domestic Pre-paid meters)	X	X		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
<b>Single Phase:</b> (Commercial)	X	X		Flat rate	
<b>Single Phase:</b> (Commercial Pre –Paid meter )	X	X		Flat rate	
<b>Three Phase:</b> (Domestic Pre-paid meter) ≤ 100A	X	X		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
<b>Three Phase:</b> (Commercial conventional and prepaid meter) ≤ 100A	X	X		Flat rate	
<b>Three Phase:</b> (Commercial Pre-Paid meter) ≤100A	X	X		Flat rate	
<b>Bulk:</b>					
> 100 A	X	X		Flat rate	X
Time of Use based on Ruraflex Munic for LV or HV			X	Flat rate	X
<b>Departmental (Municipality)</b>		X			

- (a) A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.
- (b) Where a property or unit is not connected to the electricity reticulation system, but can reasonably be so connected, an availability tariff will be payable.

10.2.7. A fixed basic charge for electricity will be levied on a monthly basis on all properties and units.

10.2.8 Where consumers within an approved township establishment are not connected to the electricity services, but can reasonably be so connected, an availability tariff will be payable.

10.3. **WATER.**

10.3.1 The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

10.3.2. The first 6kl of water consumption per month shall be supplied pro rata free of charge to all indigent water consumers.

10.3.3 Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed.

10.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

CATEGORY OF CONSUMER	BASIC FIXED CHARGE (RAND/METER/MONTH)	UNIT CHARGE PER KL	LEVEL OF CONSUMPTION (RAND)
DOMESTIC SUPPLY		X	0 – 5 KL 6 -15 KL 16 – 30 KL 31 -50 KL 51-100 KL >100 KL
NON-DOMESTIC SUPPLY	X	X	0 – 30 KL 31 -50 KL 51-100 KL >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

10.3.5. After accounting for free water and basic charges, the cost of water in the first step will be calculated at break even.

10.3.6. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against certain water consumers.

10.3.7. Where consumers within an approved township establishment are not connected to the water services, but can reasonably be so connected, an availability tariff will be payable.

10.4. **REFUSE REMOVAL.**

10.4.1. A fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.

10.4.2. An availability charge per month will be levied on all erven or units within an approved township establishment where no building plan has been approved.

10.4.3. The fixed basic charge will be based on surface area of the erf or per skip container.

<b><u>CATEGORY OF CONSUMER</u></b>	<b><u>LEVEL OF CHARGE (RAND MONTH)</u></b>
<p><b>1. <u>BASIC CHARGE</u></b></p> <p>Basic charge per month on any erf, stand premises or other area per month.</p> <p><b>2. <u>ADDITIONAL CHARGE</u></b></p> <p><b><u>2.1 Residential</u></b></p> <p>1.Dwelling houses, churches and church halls which are used for that purpose and</p> <p>2.Improved premises used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or a similar organisation-per unit and</p> <p>3.Flats</p>	<p><b>2.1</b> (a) On an erf with a surface area not exceeding 500m<sup>2</sup></p> <p>(b) All erven with a surface area more than 500m<sup>2</sup></p> <p>(i)For the first 500m<sup>2</sup> of the surface area of the erf</p> <p>(ii)Thereafter, for the following 500m<sup>2</sup> or part thereof, of the surface area of the erf</p> <p>(iii) Thereafter, per 500m<sup>2</sup> or part thereof, of the surface area of the erf .</p> <p>Provided that where more than one dwelling-unit is erected on an erf, the area of such erf shall be divided by the number of dwelling-units thereon, and the charge, for each portion so obtained, shall be calculated in terms of the above formula as if such portion constitutes a separate erf.</p> <p>(iv) Maximum charge (11 000m<sup>2</sup>)</p>
	Flat Rate per 1m <sup>3</sup> container

<p><b><u>Non-residential</u></b></p> <p>With or without improvements.</p>	<p>(i) For the first 300 m<sup>2</sup> or part thereof, of the surface area of the erf</p> <p>(ii) Thereafter, per 300 m<sup>2</sup> or part thereof, up to 9 300 m<sup>2</sup> of the surface area of the erf.</p> <p>(iii) Thereafter, per 1 000 m<sup>2</sup> or part thereof of the erf.</p> <p>Customers with an increase of more than 10% because of the implementation of the new tariff shall receive a 75% discount in the 2022/2023 financial year. 50% discount in the 2023/2024 financial year. 25% discount in the 2024/2025 financial year. And 100% will then be charged from 2025/2026</p>
<p><b>Other Services</b></p>	
<p>For the removal of domestic refuse where a mass container is specifically supplied for use by a specific premises</p>	<p>Flat Rate per mass container per removal</p>
<p style="text-align: center;"><b><u>CATEGORY OF CONSUMER</u></b></p>	<p style="text-align: center;"><b><u>LEVEL OF CHARGE (RAND MONTH)</u></b></p>
<p>For the removal of garden refuse other than placed in plastic bags, per removal</p>	<p>Flat Rate per removal</p>
<p>For the removal of non-perishable refuse, excluding garden refuse</p>	<p>Estimated cost + 10%</p>
<p>Occasional Services:</p>	<p>Flat Rate per removal</p>
<p>Weltevreden Landfill Site Weighbridge.</p>	<p>Flat Rate per ton or part thereof.</p>
<p>Carcass removal and disposal thereof</p>	<p>Flat Rate per removal category</p>

## **10.5. SEWERAGE.**

### **10.5.1 APPLICATION FEES.**

The Engineer shall determine application fees in terms of the provisions of section 2(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

### **10.5.2. CHARGES.**

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:

The categories of sewage users as set out below shall be charged monthly at the applicable tariff as approved by the Council in each annual budget:-

<b>CATEGORY OF CONSUMER</b>	<b>LEVEL OF CHARGE</b>
<b>1. Availability charges</b>	
(i) Improved residential erven with a surface area not exceeding 500m <sup>2</sup>	No Charge
<b>2. All other erven</b>	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf: (ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 2 000m <sup>2</sup> of the surface area of the erf: (iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf: (iv) Additional charge per unimproved erf: (v) Maximum charge (887 000m <sup>2</sup> ):
<b>3. Additional charges</b>	
1.Dwelling-houses, churches, church halls as well as buildings used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or similar organisation.	(i) For the first dwelling-house, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building (ii) For the second or subsequent dwelling-house, church, church hall or other building mentioned in 2(1) above, per building
<b>3. Flats – per flat</b>	Flat Rate
<b>4. Non-Residential properties</b>	

<p>The owner of any non-residential erf or piece of land, with or without improvements, which is, or in the opinion of Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges.</p>	
<p><b>4.1 Basic charge</b></p> <p>The owner of any non-residential erf or piece of land, with or without improvements, which is, or in the opinion of Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:</p>	<p>Applicable on all non-residential properties</p>
<p><b>4.2 Additional charges</b></p>	<p>(i) For the first 500 m<sup>2</sup> or part thereof, of the surface area of the erf.</p> <p>(ii) Thereafter, per 500 m<sup>2</sup> or part thereof, up to 8 000 m<sup>2</sup> of the surface area of the erf</p>
	<p>(iv) Thereafter, per 1 000 m<sup>2</sup> or part thereof, of the surface area of the erf.</p>
<p>Phase in rebates for non residential tariffs</p>	<p>Customers with an increase of more than 10% because of the implementation of the new tariff shall receive a 75% discount in the 2022/2023 financial year. 50% discount in the 2023/2024 financial year. 25% discount in the 2024/2025 financial year. And 100% will then be charged from 2025/2026</p>

Charges for Industrial Effluent and for Chemical and Bacteriological Analysis will be calculated according to a formula which will be indicated in the Tariff of Charges on an annual basis.

10.6. **MINOR TARIFFS.**

10.6.1. All minor tariffs shall be standardised within the municipal region.

10.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

10.6.3. **Minor tariffs may include but are not limited to the following:-**

<b>A</b>	Administration	<ul style="list-style-type: none"> <li>▪ Access to information</li> <li>▪ Administration Costs</li> <li>▪ Advertisements</li> <li>▪ Bank cost on foreign accounts</li> <li>▪ Deposit Consultation</li> <li>▪ Duplicate Accounts</li> <li>▪ Facsimiles</li> <li>▪ Interest on Arrear Accounts</li> <li>▪ Interest on Arrear Accounts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Management consultation</li> <li>▪ Photocopies</li> <li>▪ Placard / Poster Costs</li> <li>▪ Section 62 Appeals</li> <li>▪ Tender Objections</li> <li>▪ Tender Participation Costs</li> <li>▪ Top Management Consultation</li> <li>▪ Trace of Direct Deposits</li> </ul>
<b>B</b>	Building Control	<ul style="list-style-type: none"> <li>▪ Administration storage fee</li> <li>▪ Alterations</li> <li>▪ Building Plans</li> <li>▪ Contravention Levy</li> <li>▪ Demolition Fees</li> <li>▪ Deposits</li> <li>▪ Encroachments</li> <li>▪ Heritage Investigations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection Fees</li> <li>▪ Land Use Planning</li> <li>▪ Photocopies of Building Plans</li> <li>▪ Plan Printing Fees</li> <li>▪ Plan Scrutiny Fees`</li> <li>▪ Re-inspection fees</li> <li>▪ Searching Fees</li> </ul>
<b>C</b>	Cemeteries	<ul style="list-style-type: none"> <li>▪ Garden of Remembrance</li> <li>▪ Grave-sites</li> </ul>	<ul style="list-style-type: none"> <li>▪ Indication of grave</li> </ul>
<b>D</b>	Commercial Filming/Photographing	<ul style="list-style-type: none"> <li>▪ Permits</li> </ul>	
<b>E</b>	Credit Control & Debt Collecting	<ul style="list-style-type: none"> <li>▪ Administration fee</li> <li>▪ Notices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sheriff fee</li> <li>▪ Tracing fee</li> </ul>
<b>F</b>	Dog Tax	<ul style="list-style-type: none"> <li>▪ Licenses</li> </ul>	
<b>G</b>	Electricity	<ul style="list-style-type: none"> <li>▪ Builders connection</li> <li>▪ Bulk Service Development Fees</li> <li>▪ Call-out fee</li> <li>▪ Cancellation Fee</li> <li>▪ Capital Contributions</li> <li>▪ Certificates</li> <li>▪ Change from Bulk to Time of use</li> <li>▪ Change of Circuit Breaker</li> <li>▪ Commission of Bulk Meter</li> <li>▪ Connection and Disconnection of Service</li> <li>▪ Consumer Deposits</li> <li>▪ Contractor Inspection</li> <li>▪ Conversion of meters</li> </ul>	<ul style="list-style-type: none"> <li>▪ Meter Verification</li> <li>▪ MV Switching</li> <li>▪ New Service Connections</li> <li>▪ Reconnection</li> <li>▪ Remedial Action Fee</li> <li>▪ Removal of meter</li> <li>▪ Rental of Equipment</li> <li>▪ Repair of Cables or Additional</li> <li>▪ Joints</li> <li>▪ Repositioning of Meter</li> <li>▪ Service Connections</li> <li>▪ Special Meter Readings</li> <li>▪ Still-off" inspections</li> <li>▪ Street Lighting</li> <li>▪ Sundry Services</li> </ul>



		<ul style="list-style-type: none"> <li>▪ Credit Control and Debt</li> <li>▪ Collection</li> <li>▪ Damaged meter</li> <li>▪ Disconnection</li> <li>▪ Extension Fee</li> <li>▪ Fee recalculation – no access</li> <li>▪ Meter Testing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tariff change</li> <li>▪ Unsafe/illegal leads per visit</li> <li>▪ Upgrading extension Fee</li> <li>▪ Verification of meter reading</li> <li>▪ Way leave</li> <li>▪ Wheeling</li> </ul>
H	Fire Services & Disaster Management	<ul style="list-style-type: none"> <li>▪ Plot Clearing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-inspection Fee under the Bylaw</li> </ul>
I	Housing	<ul style="list-style-type: none"> <li>▪ Administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental</li> </ul>
J	Law Enforcement	<ul style="list-style-type: none"> <li>▪ Business Licenses</li> <li>▪ Bylaw on outdoor advertising</li> <li>▪ Impoundment of Hawkers goods</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection Fees</li> <li>▪ Pound fee Dogs and Cats</li> <li>▪ Pound fee other animals</li> </ul>
K	Libraries	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Facsimiles</li> <li>▪ Photocopies</li> <li>▪ Scanning</li> <li>▪ Internet Usage</li> <li>▪ Lost Cards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Penalty for Late Return</li> <li>▪ Rental of Library Amenities</li> <li>▪ Reservations</li> <li>▪ Special Requests</li> <li>▪ Subscription</li> <li>▪ Visitors Fee</li> </ul>
L	Municipal Buildings	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Rental of Amenities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental of Equipment</li> </ul>
M	Operational Cost	<ul style="list-style-type: none"> <li>▪ Street Signage</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
		<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
O	Property Administration	<ul style="list-style-type: none"> <li>▪ Application lease/purchase</li> <li>▪ Encroachment Fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Memorial Benches</li> <li>▪ Radio Mask</li> </ul>
P	Public Works	<ul style="list-style-type: none"> <li>▪ Felling and Pruning of Trees</li> <li>▪ Private Work</li> <li>▪ Sale of Miscellaneous Items</li> <li>▪ Storm Water Drainage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Street Signage</li> <li>▪ Tar and Patch Work</li> <li>▪ Vehicle Entrances</li> </ul>
Q	Recreational Amenities	<ul style="list-style-type: none"> <li>▪ Boat Launching</li> <li>▪ Boat License/Permits</li> <li>▪ Caravan Parks</li> <li>▪ Community Halls</li> <li>▪ Deposit</li> <li>▪ Hawker Stalls Lagoons</li> <li>▪ Lagoons</li> </ul>	<ul style="list-style-type: none"> <li>▪ Office Rental</li> <li>▪ Open Spaces</li> <li>▪ Public Open Space</li> <li>▪ Schuss Houses</li> <li>▪ Spaces for Sport</li> <li>▪ Sport Events</li> <li>▪ Swimming pool</li> </ul>
R	Roads	Capital Contributions	<ul style="list-style-type: none"> <li>▪ Bulk Service Development Fee</li> </ul>
S	Refuse Removal	<ul style="list-style-type: none"> <li>▪ Capital Contributions</li> <li>▪ Deposits</li> <li>▪ Mass Containers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Refuse Bins</li> <li>▪ Rental of Bulk Containers</li> <li>▪ Replacement of Bulk Containers</li> <li>▪ Self Dumping</li> </ul>
T	Sewage	<ul style="list-style-type: none"> <li>▪ Bulk Service Development Fee</li> <li>▪ Capital Contributions</li> <li>▪ Connection of tanks</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service Connections</li> <li>▪ Tank Services</li> <li>▪ Testing of tanks</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Disposal</li> </ul>	
U	Stony Point	<ul style="list-style-type: none"> <li>▪ Annual Permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Visitors</li> </ul>
V	Swimming Pool	<ul style="list-style-type: none"> <li>▪ Entrance Fee</li> <li>▪ Galas</li> </ul>	<ul style="list-style-type: none"> <li>▪ Training session</li> </ul>
W	Town Planning	<ul style="list-style-type: none"> <li>▪ Advertising Cost</li> <li>▪ Application Fee</li> <li>▪ Contravention Levy</li> <li>▪ Departure Fee</li> <li>▪ Extension of Time</li> <li>▪ Land use planning Fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Registered Letter</li> <li>▪ Removal of Title Deed</li> <li>▪ Restrictions</li> <li>▪ Spatial Development Framework</li> <li>▪ Sub-division</li> <li>▪ Zoning Fee</li> </ul>
X	Traffic	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Disabled Parking Tokens</li> <li>▪ Driver's Licenses</li> <li>▪ Escorting and Other Services</li> <li>▪ Leaner's Licenses</li> <li>▪ Parking Meters</li> <li>▪ Professional Driver's Permits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Removal of Vehicles</li> <li>▪ Roadworthy Certificates</li> <li>▪ Storage Fees</li> <li>▪ Taxi Rank Tokens</li> <li>▪ Towing Charge</li> <li>▪ Vehicle Registration</li> <li>▪ Wheel clamping fee</li> </ul>
y	Valuation	<ul style="list-style-type: none"> <li>▪ Access to Information</li> <li>▪ Clearance Certificates</li> <li>▪ Deeds Office Registrations</li> <li>▪ Impact studies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revaluation</li> <li>▪ Valuation Certificates</li> <li>▪ Valuation Roll</li> <li>▪ Voters' Roll</li> </ul>
Z	Water	<ul style="list-style-type: none"> <li>▪ Bulk Service Development</li> <li>▪ Call-out Fee</li> <li>▪ Capital Contributions</li> <li>▪ Connection &amp; Disconnection</li> <li>▪ Consumer Deposits</li> <li>▪ Convert to flow restrictor meter</li> <li>▪ Credit Control and Debt Collection</li> <li>▪ Damaged Water Meter</li> <li>▪ Fee recalculation – no access</li> <li>▪ Final meter reading</li> <li>▪ Irrigation Water</li> <li>▪ Meter Testing</li> <li>▪ Meter verification</li> </ul>	<ul style="list-style-type: none"> <li>▪ New Service Connections</li> <li>▪ Registration of borehole</li> <li>▪ Remedial Action Fee</li> <li>▪ Rental of Equipment</li> <li>▪ Repair of meter</li> <li>▪ Repositioning of meter</li> <li>▪ Service Connections</li> <li>▪ Special Meter Readings</li> <li>▪ Still-off" inspections</li> <li>▪ Sundry Services</li> <li>▪ Temporary connections</li> <li>▪ Verification of meter reading</li> </ul>

10.6.5. The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

## 11. **NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES.**

11.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.

- 11.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.
- 11.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.
- 11.4. All tariffs approved must have been considered at the annual budget meeting.

**12. IMPLEMENTING AND PHASING-IN OF THE POLICY.**

- 12.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.
- 12.2. The Council may determine conditions applicable to community service of a regulator's nature. These conditions will be reflected in the standing orders of the Council.

**13. PROCEDURES AND ACCOUNTABILITY.**

- 13.1. The Municipal Manager shall ensure that procedures to manage all aspects of this Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.
- 13.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

**14. SHORT TITLE.**

This Policy shall be called the **Tariff Policy of the Polokwane Municipality.**

**15. 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.



**FINAL  
UNAUTHORISED, IRREGULAR,  
FRUITLESS AND WASTEFUL  
EXPENDITURE POLICY**

**2024/2025**

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## **ABBREVIATIONS/ACRONYMS**

Except if otherwise stated in this policy, the following abbreviations or acronyms will represent the following words:

CFO	-	Chief Financial Officer
COO	-	Chief Operations Officer
EM	-	Executive Manager
MIG	-	Municipal Infrastructure Grant
PLK	-	Polokwane Municipality
MFMA	-	Municipal Finance Management Act, 2003, No. 56 of 2003
MPAC	-	Municipal Public Account Committee
MM or AO	-	Municipal Manager or Accounting Officer
SAPS	-	South African Police Services
MSA	-	Municipal Systems Act, 2000, No. Act 32 of 2000
Structures Act	-	Municipal Structures Act, 1998, Act No 117 of 1998
RPOBA	-	Remuneration of Public Office Bearers Act
Policy	-	Policy on unauthorised, irregular, fruitless and wasteful expenditure
MBRR	-	Municipality Budget Rules and Regulations

## **1 INTRODUCTION**

1.1. In terms of section 62 of the Municipal Finance Management Act No. 56 of 2003 (herein referred to as “MFMA”), the accounting officer is responsible for managing the financial affairs of Polokwane Municipality (POLOKWANE MUNICIPALITY) and he/she must, for this purpose, inter alia:

- a) Take all reasonable steps to ensure that unauthorised, irregular; fruitless and wasteful expenditure and other losses are prevented; and
- b) Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of Polokwane Municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

1.2. This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

## **2 OBJECTIVE**

2.1. This document sets out Polokwane Municipality’s policy and procedures with regards to unauthorised, irregular, fruitless and wasteful expenditure.

2.2. This policy aims to ensure that, amongst other things:

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

- d) All officials and councillors are aware of their responsibilities in respect of unauthorised, irregular, fruitless and wasteful expenditure.

### **3 ENABLING LEGISLATION**

The following enabling legislation sets the precedent for the development of Polokwane Municipality's unauthorised, 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-in-aid ;
- 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 in accordance with 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 in accordance with 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's 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.

## REPORTING ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

- 9.1. Reporting of unauthorised, irregular, fruitless and wasteful expenditure must be done at the appropriate level, as this could constitute financial misconduct as follows:
- a) a Councillor of a municipality, must be reported to the Speaker of the council;
  - b) the municipal manager and speaker, must be reported to the mayor;
  - c) executive managers or the chief financial officer, or the chief operating officer of a municipality, must be reported to the municipal manager;
  - d) All cases of prohibited expenditure reported as per a), b) and c) above must be referred to MPAC for investigation unless the allegations are frivolous, vexatious, speculative or obviously unfounded; and
  - e) officials below executive management level of the municipality must be reported to the CFO unless in the professional opinion of the CFO or MM the nature or the amount of the prohibited expenditure warrants the case to be referred to MPAC.
- 9.2. All reports made by officials, councillors must be treated with utmost confidentiality.
- 9.3. The MM must promptly inform the Mayor, the MEC for local government in the Province and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality:
- a) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
  - b) the steps that have been taken:
    - To recover or rectify such expenditure; and
    - To prevent a recurrence of such expenditure.
- 9.4. All expenditure classified as unauthorised, irregular, fruitless and wasteful expenditure must be reported to:
- a) The Finance Portfolio Committee on a monthly basis;
  - b) Mayoral Committee on a monthly basis;
  - c) Council on a quarterly basis;



- d) MPAC on a quarterly basis; and
- e) Audit Committee on a quarterly basis.

9.5. In accounting for unauthorised, irregular, fruitless and wasteful expenditure, municipal manager or delegated officials (as may be relevant) must ensure that:

- a) All confirmed unauthorised, irregular, fruitless and wasteful expenditure must be recorded in separate account, in the accounting system of Polokwane Municipality, created for each of the above types of expenditure;
- b) All such expenditure is disclosed in the annual financial statements as required by the MFMA and treasury requirements; and
- c) Details pertaining to unauthorised, irregular, fruitless and wasteful expenditure must be disclosed in the Municipality's Annual Report.

## **10 MAINTAINING OF REGISTER FOR UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

10.1. Council must maintain a register of all incidents of unauthorised, irregular, fruitless and wasteful expenditure:

- a) This register will be maintained by the CFO for all officials other than the CFO and MM;
- b) A separate register must be maintained by the MM for expenditure incurred by CFO;
- c) A separate register must be maintained by the Mayor for expenditure incurred by the MM; and
- d) The Speaker will maintain a register for expenditure incurred by the Mayor and Councillors.

10.2. These registers must be updated on a monthly basis.

## **11 INVESTIGATION OF UNAUTHORISED AND IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

11.1. MPAC must institute an investigation of all prohibited expenditure reported in terms of clause 9.1. (d), above.

- 11.2. The CFO must seek the Municipal Managers approval to investigation all prohibited expenditure reported to him/her in terms of clause 9.1(e) unless the allegations are frivolous, vexatious, speculative or obviously unfounded.
- 11.3. Once the nature of the expenditure is confirmed as unauthorised, irregular, fruitless and wasteful expenditure, the person to whom the prohibited expenditure was reported in terms of clause 9.1 above must institute the necessary procedures which could include disciplinary as well criminal proceedings.
- 11.4. The user department responsible for initiation of the transaction shall be responsible for the UIF.

## **12 DISCIPLINARY AND CRIMINAL CHARGES FOR UIF**

### **IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

- 12.1. After having followed a proper investigation, as per paragraph 11 above, the MPAC or the Municipal Manger as the case may be must determine whether there is a prima facie case and that a Councillor or official made, permitted or authorized prohibited expenditure.
- 12.2. If a prima facie case has been established, as per paragraph 12.1 above, then MPAC, mayor or municipal Manager (as may be relevant) must institute disciplinary action as follows:
  - a) *Financial misconduct in terms of section 171 of the MFMA*: in the case of an official that deliberately or negligently:
    - (i) contravened a provision of the MFMA which resulted in prohibited expenditure; or
    - (ii) made, permitted or authorised an irregular expenditure (due to non- compliance with any of legislation mentioned in the definition of irregular expenditure);
  - b) *Breach of the Code of Conduct for Municipal Staff Members*: in the case of an official whose actions in making, permitting or authorizing an prohibited expenditure constitute a breach of the Code; and
  - c) *Breach of the Code of Conduct for Councillors*: in the case of a Councillor, whose actions in making, permitting or authorizing an irregular expenditure constitute a breach of the Code. This would also include instances where a councillor knowingly voted in favour or agreed with a

resolution before council that contravened legislation resulting in prohibited expenditure when implemented, or where the Councillor improperly interfered in the management or administration of the municipality.

12.3. The MPAC, mayor or municipal manager or delegated officials (as may be relevant) must promptly report to the SAPS all cases of alleged:

- a) Irregular expenditure that constitute a criminal offence; and
- b) Theft and fraud that occurred in the municipality.

12.4. The Mayor must take all reasonable steps to ensure that all cases referred to in the above paragraph are reported to the South African Police Service if:

- a) The charge is against the MM; or
- b) The MM fails to comply with the above paragraph.

### **13. RECOVERY UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

13.1. The MM or delegated person must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure:

- a) in the case of unauthorised expenditure, is
  - I. authorised in an adjustment budget, OR
  - II. certified by the municipal council, after investigation by MPAC, as irrecoverable and is written off by council; and
- b) in the case of irregular or fruitless and wasteful expenditure, is after investigation by MPAC, certified by council as irrecoverable and written off by council.

13.2. Irregular expenditures resulting from breaches of the Public Office-Bearers Act must be recovered from the Councillor to whom it was paid.

13.3. Once it has been established who is liable for the unauthorised, irregular, fruitless and wasteful expenditure, the Municipal Manager must in writing request that the liable Councillor or official pay the amount within 30 days or in reasonable instalments.

13.4. Without limiting liability in terms of the common law or other legislation, the MM must recover any such expenditure, in full, from official or Councillor where:

- a) In the case of a Councillor, the Councillor knowingly or after having been advised by the MM that the expenditure is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, instructed an official of Polokwane Municipality to incur the expenditure; and
- b) In case of the official, the official deliberately or negligently incurred such expenditure.

13.5. The fact that the Council may have approved the expenditure for writing off or deemed it to be irrecoverable is no excuse in:

- a) Either disciplinary or criminal proceedings against a person charged with the commission of an offence or a breach of the MFMA relating to such unauthorised, irregular or fruitless and wasteful expenditure; or
- b) Recovery of such expenditure from such person.

13.6. If the official or councillor fails to make satisfactory payment arrangements or fails to honour payment arrangements made, the amount owed for prohibited expenditure must be recovered through the normal debt collection process of the municipality.

#### **14 CONSEQUENCES OF NON-COMPLIANCE**

14.1. Any official or councillor who does not comply with their reporting duties in terms of this policy could be found guilty of Financial Misconduct.

14.2. Any councillor or official of Polokwane Municipality will be committing an act of financial misconduct if that councillor or official deliberately or negligently makes or permits, or instructs another official of Polokwane Municipality to make, an unauthorised, irregular or fruitless and wasteful expenditure.

#### **15 PROTECTION 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 immediately 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.

### **DATE OF IMPLEMENTATION**

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.

# Annexure F:

## FINAL TARIFFS

POLOKWANE

LOCAL MUNICIPALITY



2024/2025

FINAL TARIFFS

**AUTHORITY NOTICE:**

**POLOKWANE MUNICIPALITY**

**REVOCATION AND DETERMINATION OF TARIFFS FOR THE 2024/2025 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 **30 June 2023** adopted its annual budget, as well as the tariffs to be charged for municipal services as indicated in this notice.

In relation to the **2023/2024** 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 2023/2024 published in the Provincial Gazette No 3413 of 30 June 2023 are henceforth revoked.

Tariffs for municipal services and property rates contained in this notice shall be effective from 1 July 2024.

**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**
- 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**



**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 2024 TO 30 JUNE 2025**

The Polokwane Municipality will levy from **1 July 2024** the following property rates in respect of the different categories of rate able property recorded in the valuation roll.

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

**SECTION 78, MUNICIPAL PROPERTY RATES ACT:**

	Per Section 78 application outside time frame	R984.44	R1,013.98
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**The following exemptions/rebates/reductions will come into operation from 1 July 2023:**

1. In terms of the property Rates Act, the first R15 000 of the property's market value of owners of residential premises and sectional titles which are used exclusively for residential purposes are excluded from the levying of

**Market Value** R0 - R15 000 **Impermissible**

2. All residential premises and sectional titles who are used exclusively for residential purposes (guesthouse excluded) are further granted a reduction of R85 000 from the payment of property rates.

**Market Value** R15 001 - R100 00 **Reduction**

3. A further rebate of **80%** on property rates will be granted to owners of residential premises and sectional titles who are depended on government pensions or social grants or other revenue and whose combined income does not exceed **R10 400.00** per month on application.

**Subject to the following conditions:**

- 3.1 An applicant must on **2024/07/01** be at least **60** years of age and or disabled except in the case of owners depended on social grants.
- 3.2 An applicant or his/her wife/husband must be the registered owner as well as the occupant of the property concerned.
- 3.3 The total household monthly income from all resources of an applicant and his/her wife/husband may not

be more than **R10 400.00** per month and should the total monthly income be more than the amount of **R10 400.00** during the financial year in respect of which the rebate is allowed, such rebate will lapse as from the date on which the income is exceeded.

- 3.4 An application for rebate on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done by the municipality for registration or renewal.
- 3.5 Should any incorrect information be furnished in the application document; property rates will be levied at the normal tariff as from the date of benefits.
- 3.6 A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependents.
- 3.7 The rebate will only be granted on the property occupied by the applicant.
- 3.8 The required information must be confirmed by a sworn affidavit.

5 **Business and Industrial:**

Owners of Business or Industrial property's whose improved property's market value is R50 000 000.00 or above will receive the following rebate (only limited to one rebate, not on the sliding scale).

Market value	R50 000 000 – R99 000 000	2% Rebate
Market value	R100 000 000 – R499 999 999	3% Rebate
Market value	R500 000 000 and above	5% Rebate

6. Property rates will be levied in twelve more or less equal monthly installments, the first of which is payable on 2023-08-25 and thereafter on the twenty fifth day (25th) of every month towards 2024-08-20.

7. **0% VAT is charged on property rates.**

**SCHEDULE 2:**

**DRAINAGE/SEWER CHARGES: 2024/2025**

**1. APPLICATION FEES**

The Engineer shall determine application fees in terms of the provisions of section 23(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition, or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

**2. SEWERAGE CHARGES**

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the ByLaws the following charges:

SEWERAGE		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
		Per calendar month or Part Thereof	Per calendar month or Part Thereof
<b>1</b>	<b>AVAILABILITY CHARGE</b>		
	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:	R136.54	R144.73
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 2 000m <sup>2</sup> of the surface area of the erf:	R22.12	R23.45
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R17.96	R19.03
	Additional per unimproved	R24.88	R26.37
	(iv) Maximum charge (887 000m <sup>2</sup> ):	R15,927.33	R16,882.97
<b>2</b>	<b>ADDITIONAL CHARGES: RESIDENTIAL</b>		
2.1	<b>Dwelling houses and flats</b>		
a			
	(i) For the first dwelling house or other building mentioned in 2(1) above erected on any erf or piece of land, per building	R24.88	R26.37
	(ii) For the second or subsequent dwelling house or other building mentioned in 2(1) above, per building	R91.24	R96.72
<b>b</b>	Additional charge per unimproved erf:	R24.88	R26.37
<b>2.2</b>	<b>Flats – per flat</b>	R91.24	R96.72
	<b>(8) Nonresidential properties.</b>		
8.1	<b>BASIC CHARGE</b>		
	The owner of any Nonresidential erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the ByLaws the following charges	R742.00	R786.52
	Customer who are experiencing an increase of more than 10% (2021/2022) as result of implementation of the new tariff shall receive 25% discount in 2024/2025 financial year		
<b>8.2</b>	<b>ADDITIONAL CHARGES</b>		
a	The owner of any Nonresidential erf or piece of land, with improvements,		
	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:	R135.09	R143.19
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 8000m <sup>2</sup> of the surface area of the erf:	R135.09	R143.19
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R21.08	R22.35

<b>b</b>	Additional charge per unimproved erf:	R24.88	R26.37
<b>8.3</b>	<b>CONSERVANCY TANKS</b>		
	Erven that cannot be connected to the main sewer and where a conservancy tank is installed:		
	Per month, regardless of the number of removals	R121.66	R128.96

## 9. 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.

## 10. 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 Kilo-liter (c/Kl)	(194.38+0.15x COD)	(206.04+0.15x COD)
2	All Other Industries & Dept of Public Works (Old Air Force Base)		
	2.1 Cost per Kilo-liter (c/Kl)	(255.11+0.200 X COD)	(238.62+0.200 X COD)
	2.2 Additional Cost:		
	Industrial effluent whereof the average pH value of the representative samples taken during that period is less than 6 or more than 11, per kiloliter, per month.	R122.02	R129.34

## 11. CHARGES FOR CHEMICAL & BACTERIOLOGICAL ANALYSIS

Units	ANALYSIS	Approved tariff	Approved tariff	Proposed tariff	Proposed tariff
		from 1/07/2023 Tariff 1	from 1/07/2023 Tariff 2	from 1/07/2024 Tariff 1	from 1/07/2024 Tariff 2
mg/l	C.O.D.	R152.09	R76.01	R161.21	R80.57
mg/l	Petroleum ether soluble subst.	R89.87	R44.24	R95.26	R46.90
	R76.97Eijkman	R103.69	R51.15	R109.91	R54.21
ug/l	Phosfatase	R89.87	R44.93	R95.26	R47.63
mg/l	Sodium	R90.98	R44.93	R96.44	R47.63
mg/l	Potassium	R89.87	R44.93	R95.26	R47.63
mg/l	Suspended solids	R89.87	R44.93	R95.26	R47.63
mg/l	T.D.S.	R90.98	R44.93	R96.44	R47.63
mg/l	Oxygen absorbed	R110.59	R55.26	R117.23	R58.57
mg/l	Ammonia:n	R89.87	R44.93	R95.26	R47.63
mg/l	Phosphate:p	R89.87	R44.93	R95.26	R47.63
mg/l	Chloride	R89.87	R44.93	R95.26	R47.63
ml	Total viable organisms	R131.34	R65.67	R139.23	R69.61
100ml	Total coliform organisms	R131.34	R65.67	R139.23	R69.61
100ml	Faecal coliform organisms/Ecoli	R131.34	R65.67	R139.23	R69.61
mg/l	Total kjeldahl nitrogen	R151.42	R75.40	R160.51	R79.92
mS/m	Conductivity	R48.39	R24.19	R51.29	R25.64
mg/l	Sulphate	R82.96	R41.46	R87.93	R43.94
mg/l CaCO3	m-Alkalinity	R82.96	R41.46	R87.93	R43.94
ml/l/h	Settleable solids	R89.87	R47.48	R95.26	R50.33
mg/l as N	Nitrate	R101.48	R51.65	R107.57	R54.75
mg/l	Fluoride	R124.43	R62.21	R131.90	R65.94
NTU	Turbidity	R48.39	R24.19	R51.29	R25.64
mg/l CaCO3	Total hardness	R82.96	R41.46	R87.93	R43.94
mg/l CaCO3	Calcium hardness	R82.96	R41.46	R87.93	R43.94

pH value	PH	R48.39	R24.19	R51.29	R25.64
	Flocculation test	R193.56	R96.78	R205.17	R102.58
	Chlorine demand	R117.50	R58.75	R124.55	R62.27
	Methylene blue reduction test	R62.21	R30.05	R65.94	R31.85
ml	Coliform organisms	R131.34	R65.67	R139.23	R69.61
mg/l	Chromium	R89.87	R44.93	R95.26	R47.63
mg/l	Cadmium	R103.76	R51.88	R109.99	R54.99
mg/l	Lead	R124.43	R62.21	R131.90	R65.94
mg/l	Cyanide	R103.76	R51.88	R109.99	R54.99
mg/l	Boron	R103.76	R51.88	R109.99	R54.99
mg/l	Antimony	R103.76	R51.88	R109.99	R54.99
mg/l	Arsenic	R103.76	R51.15	R109.99	R54.21
mg/l	Copper	R103.76	R51.88	R109.99	R54.99
mg/l	Iron	R96.78	R48.39	R102.58	R51.29
mg/l	Manganese	R96.78	R48.39	R102.58	R51.29
mg/l	Aluminium	R96.78	R48.39	R102.58	R51.29
mg/l as N	Nitrite	R103.76	R51.88	R109.99	R54.99
mg/l	Zinc	R103.76	R51.88	R109.99	R54.99
mg/l	Free chlorine	R55.29	R51.88	R58.61	R54.99
mg/l	Combined chlorine	R55.29	R27.63	R58.61	R29.29
mg/l	Volatile suspended solids	R89.87	R44.93	R95.26	R47.63
mg/l	MLSS	R89.87	R44.93	R95.26	R47.63
mg/l	Phenol	R110.59	R55.29	R117.23	R58.61

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.

## 12. SUPPLY OF DISTILLED WATER

Distilled Water: per liter	R9.83	R10.42
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## 13. SELLING OF DRIED SLUDGE

Selling of dried sludge: per ton	R333.21	R353.20
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**SCHEDULE 3:**

**SOLID WASTE REMOVAL CHARGES: 2024/2025**

**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

		<b>Approved tariff from 1/07/2023</b>	<b>Proposed tariff from 1/07/2024</b>
		<b>Per calendar month or part thereof</b>	<b>Per calendar month or part thereof</b>
<b>1.</b>	<b>BASIC CHARGE</b> Basic charge per month on any erf, stand premises or other area per month	R69.12	R73.27
<b>2.</b>	<b>ADDITIONAL CHARGES: RESIDENTIAL</b>		
<b>2.1</b>	<b>Dwelling houses and flats</b>		
	(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61
	(b) All erven with a surface area in excess of 500m <sup>2</sup> :		
	(i) For the first 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79
	(ii) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00
	(iii) Thereafter, per 500m <sup>2</sup> 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.	R30.40	R32.22
	(iv) Maximum charge (11 000m <sup>2</sup> )	R756.30	R801.68
<b>2.2</b>	<b>Flats</b>		
	PER UNIT		
	(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61
	(b) Up to and including 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79
	(c) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00
	(d) Thereafter, per 500m <sup>2</sup> or part thereof, of the surface area of the erf	R30.40	R32.22
<b>3</b>	<b>ADDITIONAL CHARGES: NON-RESIDENTIAL</b>		
	<b>This charge shall apply to nonresidential properties, with improvements</b>		
	(i) For the first 300m <sup>2</sup> or part thereof, of surface area of the erf:	R468.06	R496.15
	(ii) Thereafter, per 300m <sup>2</sup> or part thereof, up to 9300m <sup>2</sup> of the surface area of the erf:	R130.00	R137.80
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R92.22	R97.75
<b>3.1</b>	<b>REBATE FOR IMPLEMENTATION OF NEW TARIFF</b> Customer who are experiencing an increase of more than 10% (2021/2022) as result of implementation of the new tariff shall receive 25% discount in 2024/2025 financial year		
<b>4</b>	<b>MASS CONTAINER</b>	R947.12	R1,003.95
<b>5</b>	<b>Garden Refuse Removal:</b>		
	(i) For the removal of garden refuse in plastic bags on the day which refuse removal normally takes place		
	(ii) For the removal of garden refuse other than placed in plastic bags, per removal	R947.12	R1,003.95
<b>6</b>	<b>For the removal of non-perishable refuse, excluding garden refuse:</b>		
i	Per removal	Estimated cost + 10%	Estimated cost + 10%
<b>11</b>	<b>Occasional Services:</b>		
	Per removal	R1,023.15	R1,084.54
<b>7</b>	Weltevreden Landfill Site		

	Weighbridge fees per ton or part thereof	R67.74	R71.81
8	Grass cutting of private stands per square meter (M2) or part thereof	R6.91	R7.33
9	Cleaning of illegal dumping on private stands per ton	R305.31	R323.63
10	Re-issuing of 240 litre refuse containers per bin	R912.55	R967.31
11	Re-issuing of 770 litre refuse containers per bin	R7,148.39	R7,577.29
12	Emptying of 30, m3 skip containers per removal	R2,281.40	R2,418.28
<b>13</b>	<b>CARCASS REMOVAL AND DISPOSAL OF SUCH</b>		
1	Calf, foal, sheep, goat, lamb, pig, dog, cat or poultry, per carcass	R135.39	R143.52
2	Any other animal, per carcass	R271.00	R287.26
3	Maximum charge, per removal	R813.00	R861.78

**14. GENERAL**

1	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.
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**SCHEDULE 4:**

**WATER SUPPLY CHARGES: 2024/2025**

**PART I**

**WATER SUPPLY**

**1. BASIC CHARGE**

A basic charge of R255.30 for the first 2 000m<sup>2</sup> or part thereof with an additional charge of R38.12 for every additional 1 000m<sup>2</sup> or part thereof per month shall be levied per erf, stand, premises or other area, not zoned as residential 1,2,3 or 4 or not used for residential purposes, with or without any improvements, which is or, in the opinion of the council can be, connected to the main waterline, whether water is consumed or not and shall be payable by the owner of such property: provided that in the case of agricultural holdings, farm lands as well as property situated outside the municipality the maximum charge shall be R407.78 per month and R60 103.70 per month in the case of other premises: the tariff will also be applicable for properties not utilizing municipal water such as bore hole water users.

**2 DOMESTIC SUPPLY**

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

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
(i)	For the first 5Kl; per Kl:	R11.18	R11.85
(ii)	For the following 10Kl; per Kl:	R18.08	R19.71
(iii)	For the following 15Kl; per Kl:	R20.95	R22.84
(iv)	For the following 20Kl; per Kl:	R27.94	R30.46
(v)	For the following 50Kl; per Kl:	R33.20	R36.18
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R40.19	R43.81

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	R11.18	R11.85
(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	R18.08	R19.71
(iii)	For the following (15 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R20.95	R22.84
(iv)	For the following (20 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R27.94	R30.46
(v)	For the following (50 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R33.20	R36.18
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R40.19	R43.81

3. For the supply of water to customers from water hydrants:

(i)	Per dwelling, building, structure or room separately occupied notwithstanding the fact that more than one such dwelling, building, structure or room is under one roof, for 5Kl per Kl per month	R12.26	R13.36
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**3. CONCERNS ON INDUSTRIALLY ZONED ERVEN**

1 For the supply of water to an erf, stand, premises or other area, by a separate meter, postpaid (conventional) and prepaid, for consumption since the previous monthly meter reading:

(i)	For the first 30Kl; per Kl:	R27.94	R30.46
(ii)	For the following 20Kl; per Kl:	R36.69	R40.00
(iii)	For the following 50Kl; per Kl:	R41.94	R45.71
(iv)	For the following 19 900Kl; per Kl:	R47.18	R51.43
(v)	Thereafter for consumption in excess of 20 000Kl, per Kl	R34.96	R38.10



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

(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R27.94	R30.46
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R36.69	R40.00
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R41.94	R45.71
(iv)	Thereafter, for consumption in excess of 100KI, per KI	R47.18	R51.43

#### 4. SILICON SMELTERS

(i)	Service charge per month	R94,484.40	R102,987.99
(ii)	For the supply of water, for the first 20 000KI, per KI	R47.68	R51.97
(iii)	For consumption in excess of 20 000KI, per KI	R33.56	R36.58
(iv)	Minimum charge, per month – (17 700 KI). <b>The amount is reduced to R160 350.00 per Council resolution 92/11/19. (Special Joint Finance/LED &amp; Admin Governance). Account 10992553. (5000ki CR92/1119)</b>	R843 936.00 R238 400.00 Until rescind, then the R843 936.00 shall apply.	R919,890.24 Minimum charge 12 000kl @ R51.97 =R623 640.00

#### 5 DEPARTMENT OF PUBLIC WORKS (AIRFORCE BASE)

(i)	For the supply of water, per KI	R47.18	R51.43
(ii)	Minimum charge, per month – (15 340 KI)	R723,741.20	R788,877.91

#### 6 DALMADA WATER CO-OPERATION & BROADLANDS

(i)	For the supply of water, per KI	R27.94	R30.46
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#### 7 SCHOOLS AND SCHOOL HOSTELS

(i)	For the supply of water, per KI	R33.20	R36.18
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#### 8 POTGIETERSRUS PLATINUMS LIMITED

(i)	For the supply of water (treated effluent), per KI	R3.48	R3.80
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#### 9 KOLOBE CIVILS & PLUMBING cc (LEZMIN 3535)

(i)	For the supply of backwash water for Dalmada water treatment plant, per KI (10% escalation pa)	R3.59	R3.95
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#### 10 BUSINESS/ COMMERCIAL AND ANY OTHER CUSTOMER

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

(i)	For the first 30KI, per KI:	R27.94	R30.46
(ii)	For the following 20KI, per KI:	R36.69	R40.00
(iii)	For the following 50KI, per KI:	R41.94	R45.71
(iv)	Thereafter, for consumption in excess of 100KI, per KI:	R47.18	R51.43

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

(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R27.94	R30.46
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R36.69	R40.00
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R41.94	R45.71
(iv)	Thereafter, for consumption more than 100KI, Per KI	R47.18	R51.43

## 11. CONNECTION FEES

For the provision and installation of a connection pipe, meter, and accessories. For all sizes: Estimated cost plus 10 % of such amount for administration costs.

Description / Size	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
15mm	R2,065.95	R2,251.89
20mm	R2,065.95	R2,251.89
25mm	R3,895.81	R4,246.43
40mm	R5,705.99	R6,219.53
50mm	R13,773.09	R15,012.67
75mm	R18,692.04	R20,374.32
100mm	R22,627.20	R24,663.65
150mm	R35,416.50	R38,603.99
200mm	R40,335.47	R43,965.66
Stolen water meters	R2,065.95	R2,251.89
Shifting of water meter	R861.32	R938.84
Sewer connection	R2,154.40	R2,348.29
Fire hydrant connection	R5,344.47	R5,825.47
50mm	R13,773.09	R15,012.67
75mm	R18,692.04	R20,374.32
100mm	R22,627.20	R24,663.65
Connection fee	R43.09	R46.97
Replacement of a damaged or lost CIU	R961.41	R1,047.93

## 12 MUNICIPAL DEPARTMENTS

Charges for water if not on the water tariffs above may be charged at cost price of the previous financial year. Or

### PART 2

#### GENERAL CHARGES

The following charges and conditions shall apply in respect of general services rendered by the Council

#### 1. CHARGES FOR A CONNECTION FOR FIRE FIGHTING PURPOSES

For the provision and installation of a 100 mm connection pipe, meter or, if a meter is not required, a sealed valve:

At cost plus 10 % of such amount for administration costs: Provided that if the seal of a sealed valve is broken by any person, other than an official of the Council, the customer shall pay:	R295.76	R322.38
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#### 2 ADMIN CHARGES – INCLUDING NORMAL DISCONNECTION AND RECONNECTION

1. The charge for disconnection because of non-payment of account or for non-compliance with any of the regulations or by laws of the Council shall be as follows:

(i)	During working hours: normal reconnection	R961.41	R1,047.93
(ii)	During working hours: request for urgent reconnection	R1,442.14	R1,571.93
(iii)	After working hours: request for reconnection	R1,442.14	R1,571.93

1. Charge for temporary disconnection at the request of any customer:

(i)	During working hours	R961.41	R1,047.93
(ii)	After working hours: request for reconnection	R1,442.14	R1,571.93

2. Charge when customers change:

For every application for rendering the service, irrespective of whether the service has been discontinued

(i)	During working hours: Domestic and Business users	R38.60	R42.08
(ii)	After working hours	R80.39	R87.62

#### 3. PRE-PAID METER ADMINISTRATION FEE.

When using an incorrect meter number when purchasing water	R961.41	R1,047.93
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#### GENERAL SERVICES

Any service rendered upon request by a customer and not provided for in this tariff, shall be charged for at the estimated cost to the council, plus 10% administration costs.

**4 SPECIAL METER READINGS**

1	The charge for a special reading of a meter at the request of a customer (Refundable if faulty)	R143.33	R156.23
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**5. TESTING OF METERS**

1	The charge for testing a meter at the request of a customer (Refundable if faulty)	R961.41	R1,047.93
2	The percentage referred to in section 38(4) of the Standard Water Supply By Laws shall be	5%	5%

**6. WATER LEAKAGE**

1	When the water Department is called upon to rectify a water leakage and such leakage is found to be on private property and due to any cause other than a fault in the Council's main or apparatus, a charge shall be payable by the customer for each such attendance	R961.41	R1,047.93
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**7. DEPOSIT FOR ESTIMATES**

1	When an extension of the main is requested, a deposit shall be payable for estimating the cost. This amount shall be subtracted from the total connection charges and if the connection is not made, the amount shall be forfeited.	R961.41	R1,047.93
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**8. DEPOSITS FOR SUPPLY OF WATER**

1	The minimum deposit payable in terms of section 12 (1) (a) of the by-laws shall be:		
	Domestic users/South African citizens	R1,141.68	R1,244.43
	Domestic users /Non South African citizens	R6,851.42	R7,468.04
	Business users/South African citizens	R5,711.12	R6,225.12
	Business users/Non South African citizens	R5,711.12	R6,225.12

**9. ADMIN FOR TELEPHONE REMINDER SERVICE**

The charge payable in respect of a telephone reminder for overdue account is as follows:

The charge payable in respect of a telephone or cell phone reminder (including text sms) is as follows: For every telephone reminder	R41.07	R44.76
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**10. ADMINISTRATION COSTS IN RESPECT OF WRITTEN REMINDER SERVICES.**

New

For every notice in respect of an unpaid customer account after the due payment date of the month. A written notice, letter or email reminder.	R88.98	R96.98
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**11 WASTE WATER REMOVAL**

Removal of wastewater via tanker services when provided by the Municipality	New	R250.00/Kl vat incl
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**BY LAW OFFENCES:**

**CHAPTER 2**

**APPLICATIONS AND AGREEMENTS FOR WATER SERVICES:**

<u>Clause</u>		<b>Approved tariff from 1/07/2023</b>	<b>Proposed tariff from 1/07/2024</b>
	Change of purpose of water services		
5	Where the purpose or extent for which water services are used is changed, the customer must inform the Council, and must enter into a new agreement with the Council, expressed to be effective from the date on which such change of use took or will take effect.	Level R2,038.21 Level R4,076.44 Level R10,191.16	Level R2,221.65 Level R4,443.32 Level R11,108.37
19	Access to water services other than through Council prohibited No person is permitted to have access to water services from a source other than the Council without the Council's written approval.	R10,191.16	R11,108.37
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 R78,132.60 Second bridge R189,750.60 Third bridge R558,090.00 <u>Renting rooms:</u> First bridge R245,559.60 Second bridge R692,031.60 <u>Business: total disconnection from the grid</u> R1,116,180.00	First bridge R85,164.53 Second bridge R206,828.15 Third bridge R608,318.10 <u>Renting rooms:</u> First bridge R267,659.96 Second bridge R754,314.44 <u>Business: total disconnection from the grid</u> R1,216,636.20
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 R78,132.60 Second bridge R189,750.60 Third bridge R558,090.00 <u>Renting rooms:</u> First bridge R245,559.60 Second bridge R692,031.60 <u>Business: total disconnection from the grid</u> R1,116,180.00	First bridge R85,164.53 Second bridge R206,828.15 Third bridge R608,318.10 <u>Renting rooms:</u> First bridge R267,659.96 Second bridge R754,314.44 <u>Business: total disconnection from the grid</u> R1,216,636.20
	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 R78,132.60 Second bridge R189,750.60 Third bridge R558,090.00 <u>Renting rooms:</u> First bridge R245,559.60 Second bridge R692,031.60 <u>Businesses:</u> First bridge R245,559.60 Second bridge R692,031.60	First bridge R85,164.53 Second bridge R206,828.15 Third bridge R608,318.10 <u>Renting rooms:</u> First bridge R267,659.96 Second bridge R754,314.44 <u>Businesses:</u> First bridge R267,659.96 Second bridge R754,314.44
24	<b>Obstruction of access to water supply system or sanitation service prohibited.</b> 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.	R3,964.96	R4,321.80

<b>CHAPTER 5 PART A WATER SUPPLY SERVICE</b>			
31	<p><b>Unauthorized interconnection between premises or water installations prohibited</b></p> <p>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-</p> <ul style="list-style-type: none"> <li>· The water installation on his or her premises and the water installation on any other premises; or</li> <li>· By several dwelling or business units are situated on the same premises, the water installations of such units</li> </ul>	R9,349.69	R10,191.17
33	<p><b>Water may be supplied from hydrant in certain circumstances</b></p> <p>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.</p> <p>2) Except in an emergency, a person who requires a temporary supply of water referred to in subsection (1) must apply, therefore.</p> <p>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.</p>	R10,191.16	R11,108.37

<b>PART C MEASURING QUANTITY OF WATER SUPPLIED</b>			
34 (5)	<p>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.</p> <p>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.</p>	R10,191.16	R11,108.37
34(6)	<p>No person other than an authorized official of the council may-</p> <ul style="list-style-type: none"> <li>· Disconnect a measuring device and its associated apparatus from the pipe in or o which they are installed or connected.</li> <li>· Break a seal which the Council has placed on any meter; or</li> <li>· In any other way interfere with a measuring device and its associated apparatus.</li> </ul>	R4,076.45	R4,443.33
35	<p><b>Determining quantity of water supplied to customer</b></p> <p>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.</p>	R4,076.45	R4,443.33
	<p>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.</p>	R10,191.16	R11,108.37

<b>PART D APPROVAL OF INSTALLATION WORK</b>			
41	<p>Approval of installation work</p> <p>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-</p> <ul style="list-style-type: none"> <li>a) to comply with the relevant subsection, within a specified period;</li> <li>b) if the work is still in progress, to cease the work; and</li> <li>c) to remove all such work as does not comply with these By-laws</li> </ul>	R4,076.45	R4,443.33

	c) to remove all such work as does not comply with these By-laws.		
42	Persons permitted to do installation and other work  1) No person who is not a qualified plumber may be permitted to- a) Do any installation work other than the replacement or repair of an existing pipe or water fitting, b) Replace a fixed water heater or its associated protective devices. c) Inspect, disinfect, or test a water installation, fire installation or storage tank. d) Service, repair or replace a back flow preventer; or e) Install, maintain, or replace a meter provided by an owner in a water installation.	R10,191.16	R11,108.37
	2) No person may require or engage a person who is not a qualified plumber to do the work referred to in subsection (1).	R10,191.16	R11,108.37
43	Provision and maintenance of water installations. 2) Before doing work in connection with the maintenance of a portion of his or her water installation, which is situated outside the boundary of his premises, an owner must obtain the written consent of the Council or the owner of the land on which such portion is situated, as the case may be.	R2,038.21	R2,221.65
45	Installation or use of pipes and water fittings in water installations. 1) No person may, without the prior written permission of the Council, install or use a pipe or water fitting in a water installation within the Council's area of jurisdiction unless it is of a type that is included in the schedule of approved pipes and fittings as compiled by the Council.	R2,038.21	R2,221.65
46	Unlawful water installation work. Where any installation work has been constructed in contravention of these By-laws, the owner must on receiving a compliance notice by the Council, carry out such alterations to the installation as prescribed in the notice.	R10,191.16	R11,108.37
48	Owner to prevent pollution of water. An owner must provide and maintain effective measures to prevent the entry of any substance or matter which may be a danger to health or may adversely affect the portability of water or affect its fitness for use in- a) The water supply system or plant; and b) any part of the water installation on his or her premises.	R10,191.16	R11,108.37

**PART E**  
**PROTECTION OF WATER SUPPLY SYSTEM FROM BACKFLOW AND BACK SIPHONAGE**

49	Protection of water supply system from backflow 1) The owner must take any of the measures referred to in subsection (2) to prevent the backflow of water from the water installation to the water supply system in the case of- a) fire or combined installation on premises; and	R36,668.27	R39,968.41
49	b) a general installation serving the following activities- medical treatment of people or animals; medical, pharmaceutical or chemical research and manufacturing; agriculture, including dairies and nurseries; photographic processing; laundering and dry-cleaning; metal plating; treatment of skins and hides; and c) a general installation serving- mortuaries; abattoirs; sewage purification works; refuse processing plants; oil processing and storage facilities; wineries, distillers, breweries, yeast and cold drink factories; sports facilities; or any other premises on which an activity is carried out which in the opinion of the Council is likely to cause a danger to health or affect the portability of water in the event of a substance resulting from such activity entering the water supply system; and d) a general installation on any premises after a compliance notice by the Council to do so.	R39,968.41	R43,565.56
51	Inspection and service of backflow preventers 1) The owner of premises on which a reduced pressure or double check backflow preventer is installed must, at his own expense, cause the backflow preventer to be- inspected and serviced not less than once in every 12 months to ensure that it is in working order; and	R3,975.09	R4,332.84

<b>PART F</b>			
<b><u>WATER RESTRICTIONS</u></b>			
54	<p><b>Waste of water unlawful</b></p> <p>1) No customer may permit</p> <p>a) the purposeless or wasteful discharge of water from terminal water fittings.</p> <p>b) pipes or water fittings forming part of a water installation to leak.</p> <p>c) the use of maladjusted or defective water fittings in a water installation.</p> <p>d) an overflow of water from a water installation to persist; or</p> <p>e) a wasteful use of water to persist.</p> <p>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</p> <p>3) If an owner fails to take measures as contemplated in subsection (2), a designated officer may issue an enforcement notice in connection therewith.</p> <p>4) Every customer must ensure that any equipment or plant connected to his or her water installation uses water in an efficient manner.</p>	R10,191.16  R4,076.44 R4,088.01  R3,739.86 R4,076.44	R11,108.37  R4,443.32 R4,455.93  R4,076.45 R4,443.32
55	<p><b>Prohibition of use of certain equipment in water installations</b></p> <p>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.</p>	R4,076.44	R4,443.32
58	<p><b>Pipes in streets or public places</b></p> <p>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.</p>	R10,191.16	R11,108.37
59	<p><b>Use of water from source other than water supply system</b></p> <p>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.</p>	R20,382.36	R22,216.77

<b>PART H</b>			
<b><u>SPECIAL PROVISIONS REGARDING FIRE SERVICES</u></b>			
63	<p><b>Connection pipes for fire installation systems</b></p> <p>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.</p> <p>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.</p>	R10,191.16	R11,108.37
64	<p><b>Inspection an approval of automatic sprinkler installation for firefighting purposes</b></p> <p>No water may be supplied to any fire installation until-</p> <p>It has been inspected and tested by the Council; the Council has certified in writing that such water installation is complete and complies with the requirements of the By-Laws.</p>	R4,076.44	R4,443.32
69	<p>a) <b>Objectionable discharges to sewage disposal system</b></p> <p>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-</p>		

b)	which may be offensive to, or may cause a nuisance to the public;	R2,006.83 to R4,019.58	R2,187.44 to R4,381.34
c)	which is in the form of steam or vapour or has a temperature exceeding 44 degrees Celsius at the point where it enters the sewer;	R2,006.83 to R4,019.58	R2,187.44 to R4,381.34
d)	which has a pH value less than 6.0 or more than 10.0;	R4,019.58 to R10,048.99	R4,381.34 to R10,953.40
e)	which contains any substance of whatsoever nature likely to produce or give off explosive, flammable, poisonous or offensive gases or vapours in any sewer;	R10,048.99 to R20,097.97	R10,953.40 to R21,906.79
f)	which contains any substance having an open flash point of less than 93 degrees Celsius or which gives off a poisonous vapour at a temperature below 93 degrees Celsius;	R2,009.59 to R4,019.58	R2,190.46 to R4,381.34
g)	Which contains any material of whatsoever nature, including oil, grease, fat or detergents capable of causing an obstruction to the flow in a sewer, to a drain or interference with the proper operation of a sewage treatment plant?	R10,048.99 to R20,097.97	R10,953.40 to R21,906.79
h)	Which may inhibit the unrestricted conveyance of sewage through the sewage disposal system;	R2,009.59 to R4,019.58	R2,190.46 to R4,381.34
i)	which contains any substance in such concentration as is likely in the final treated effluent from any sewage treatment plant to produce an undesirable taste after chlorination, or an undesirable	R10,048.99 to R20,097.97	R10,953.40 to R21,906.79
a)	odour or colour, or excessive foam;	R10,048.99	R10,953.40
b)	which contains any substance of whatsoever nature?	R20,097.97	R21,906.79
c)	whether listed in Schedule B of these By-laws or not, either alone or in combination with other matter may-	R4,019.58 R10,048.99	R4,381.34 R10,953.40
d)	COD > 2000 mg/L	R10,049.00 R20,097.97 For COD>5000mg/l	R10,953.41 R21,906.79 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;	R5,023.55 to R20,097.97	R5,475.67 to R21,906.79
b)	Any river, stream, or natural water course or any public water, whether ordinarily dry or otherwise, except in accordance with the provisions of the National Water Act; or	R5,023.55 to R20,097.97	R5,475.67 to R21,906.79
c)	Any street or premises.	R4,019.58 R10,049.00	R4,381.34 R10,953.41

**PART B**

**ON-SITE SANITATION SERVICES**

71	Septic tanks and treatment plants No person may construct, install, maintain or operate any septic tank or other plant for the treatment, disposal or storage of sewage, without the prior written permission of the Council.	R10,049.00	R10,953.41
77	Disused conservancy and septic tanks 1) If an existing conservancy tank or septic tank is no longer required for the storage or treatment of sewage, or if permission for such use is withdrawn, the owner must either cause it to be completely recovered, or to be completely filled with earth or other suitable material, and the land involved to be rehabilitated.	R10,049.00	R10,953.41



<b>PART C</b>			
<b><u>CONNECTION TO SEWAGE DISPOSAL.</u></b>			
78	Provision of connecting sewers  3)The discharge of any substance whatsoever other than clean water for testing purposes may not be permitted to enter any drainage installation until the drainage installation has been connected to the sewage disposal system.	R4,019.58	R4,381.34
80	Interconnections between premises  Every owner of premises must ensure that no interconnection exists between the drainage installation on his or her premises and any drainage installation on other premises, unless he or she has obtained the prior written permission of the Council and complies with any conditions that may have been imposed in granting such permission.	R4,019.58	R4,381.34

<b>PART D</b>			
<b><u>ROAD HAULAGE OF SEWAGE</u></b>			
83	Written permission for delivery of sewage by road haulage  No person may discharge sewage into any Council sewage treatment plant by road haulage except with the written permission of the Council, and subject to such terms and conditions as may be imposed in terms of the written permission.	R10,048.99	R10,953.40
84	When sewage is delivered by road haulage- a) the time of delivery must be arranged with the Council;  b) the nature and composition of the sewage must be established to the satisfaction of the Council prior to the discharge thereof from the container in which it is delivered, and no person may deliver sewage that does not comply with the standards laid down in or in terms of these By-laws; and	R10,048.99	R10,953.40

<b>PART E</b>			
<b><u>DISPOSAL OF INDUSTRIAL EFFLUENT</u></b>			
86	1) Every person desiring to dispose of industrial effluent must apply in writing and in duplicate on the form prescribed by the Council for that purpose, for written permission to discharge industrial effluent into the sewage disposal system of the Council, and must thereafter provide such additional information and submit such sample as the Council may require.	R10,048.99	R10,953.40

<b>PART F</b>			
<b><u>MEASURING OF EFFLUENT DISCHARGED</u></b>			
91	1) The quantity of standard domestic effluent discharged must be determined as a percentage of the water supplied to those premises by the Council.  2) If the Council is of the opinion that the percentage referred to in subsection (1), in respect of specific premises is excessive, having regard to the purposes for which water is consumed on those premises, the Council may reduce the percentage applicable to those premises to a figure which, in its opinion and in the light of the available information, reflects the proportion between the likely quantity of sewage discharged from the premises and the quantity of water supplied thereto.	R4,019.58	R4,381.34

**PART G**  
**DRAINAGE INSTALLATION AND DRAINAGE WORK**

94	<p><b>Construction or installation of drainage installation</b> Any drainage installation must comply with <i>SANS Code 0400-1990 Part P, Drainage</i> and any amendments thereto.</p>	R10,048.99	R10,953.40
95	<p>Use of pipes and fittings in drainage installations to be authorized</p> <p>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).</p>	R10,048.99	R10,953.40
96	<p>Approval of drainage work</p> <p>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.</p> <p>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.</p> <p>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.</p>	R10,048.99	R10,953.40
97	<p><b>Unlawful drainage work</b></p> <p>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.</p> <p>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 specify</p>	R4,019.58	R4,381.34
98	<p><b>Ingress of storm water into drainage installations prohibited</b></p> <p>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.</p> <p>1) No person may discharge or cause or permit to be discharged any substance other than sewage into a drainage</p> <p>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</p>	<p>Residential R3.98 per square meter of stand area per month</p> <p>Industrial/businesses R6.00 per square meter of stand area month</p>	<p>Residential R4.34 per square meter of stand area per month</p> <p>Industrial/businesses R6.54 per square meter of stand area month</p>
100	<p><b>Industrial grease traps</b></p> <p>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</p> <p>2) Oil, grease or any other substance which is contained in any</p>	R10,048.99	R10,953.40

	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 or 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.		
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<b><u>PART H</u></b> <b><u>GENERAL</u></b>			
105	<b>Drains in streets or public places</b> No person may, for the purpose of conveying sewage derived from whatever source, lay or construct a drain on, in or under a street, public place or the land owned by, vested in, or under the control of the Council, except with the prior written permission of the Council and subject to such conditions as it may impose.	R10,048.99	R10,953.40
107	<b>Protection from ingress of floodwater</b> Where premises constructed within, or any portion of a property lie within the 1 in 50 years flood plain, the top level of any manhole, inspection chamber and gully located below the level of such flood plain must be above the 1 in 50 years flood level, except in the case of a manhole and inspection chamber the cover of which is secured in place by approved means.	R10,048.99	R10,953.40

<b><u>CHAPTER 7</u></b> <b><u>POWERS AND FUNCTIONS OF DESIGNATED OFFICERS</u></b>			
111	Entry of premises for carrying out of works & inspections The owner or premises in a municipality must give a designated officer of the municipality or of a service provider access at all reasonable hours to the premises in order to carry out works of reading, inspecting, installing or repairing any meter or service connection or to disconnect, stop or restrict the provision of any service.	R10,048.99	R10,953.40
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.	R4,019.58	R4,381.34

<b><u>CHAPTER 8</u></b> <b><u>MISCELLANEOUS</u></b>			
119	<b>Sinking of boreholes</b> 1) Any owner of a premise who wishes to sink a borehole on such premises shall do so only within the parameters of the erf-boundaries of his/her premises, and then only on weekdays, Monday to Saturday between 7h00 and 17h00. 2) No person shall sink a borehole on the sidewalk of his/her premises without the prior written consent of the Council 3) Any owner of a premise will be responsible to ensure that a drilled borehole be properly closed and safe guarded at all times for safety and security reasons.	R10,049.00 R20,097.97 R10,048.99	R10,953.41 R21,906.79 R10,953.40
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.	R10,048.99	R10,953.40
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 under these By-laws; d) give false or misleading information to a designated officer e) Unlawfully prevent the owner of any premises	R20,097.97	R21,906.79

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| <p>f) or a person working for that owner, from entering the premises in order to comply with a requirement of these By-laws;</p> <p>g) Pretend to be a designated officer.</p> <p>h) Falsely alter an authorization to a designated officer or written authorization, compliance notice or compliance certificate issued in terms of these By-laws;</p> <p>i) Contravene or fail to comply with any provisions of these By-laws;</p> <p>j) Fail to comply with any notice issued in terms of these By-laws;</p> <p>k) Fail to comply with any lawful instruction given in terms of these By-laws; or</p> <p>l) Obstruct or hinder any authorized official of the Council in the execution of his or her duties under these By-laws.</p> <p>m) Any person convicted of an offence contemplated in subsection (1) is liable on conviction.</p> |  |  |
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**SCHEDULE 5:**

**ELECTRICITY SUPPLY CHARGES: 2024/2025**

**PART 1**

**SUPPLY OF ELECTRICITY**

**This tariff shall be subject to NERSA Approval.**

**DEFINITIONS.**

**Service charge:**

is a fixed R/day charge payable per account over the billing period, whether electricity is consumed or not used. Where applicable, this charge will be based on the sum of the monthly utilised capacity linked to an account. It is a contribution towards fixed costs such as customer service costs. For the domestic, departmental, and small business tariffs the service and administration charges are combined to make up the basic and are charged per metering point

**Time-of-use tariff:**

Is a tariff that has different energy rates for different time periods and seasons in order to reflect the shape of the municipality's long run marginal energy cost of supply at different times more accurately.

**Voltage surcharge:**

Is a percentage surcharge levied to consumers with lower supply voltages as a contribution to the cost to transform electricity from 66 kV to lower voltages. It is calculated as a percentage of the energy charge and the demand charge (where applicable) to reflect the cost at lower voltages.

**1. DOMESTIC SUPPLY (CONVENTIONAL AND PREPAID)**

This tariff shall apply to erven, stands, premises or any other area/property zoned as residential 1, 2, 3 or 4 and which are used for residential purposes.

**1.1. BASIC CHARGE:**

This charge shall apply to all **residential** properties, with improvements, which is connected to the supply mains: whether electricity is consumed or not.

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
1.2.1	Basic charge, per single phase connection. Charged per month.	R148.84	R167.77
1.2.2	Basic charge per 3 phase connection. Charged per month.	R153.92	R173.50

**1.3. ENERGY CHARGE (electricity consumed per kWh)**

1.3.1	Block1(0-50)	50units	145.74 Cents/kWh	164.28 Cents/kWh
1.3.2	Block2(51-350)	300units	190.26 Cents/kWh	214.46 Cents/kWh
1.3.3	Block3(351-600)	250units	280.88 Cents/kWh	316.61 Cents/kWh
1.3.4	Block4(>600)		330.27 Cents/kWh	372.28 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.	R777.32	R876.19
2.1.2	Basic charge per 3 phase connection; connected or not connected, whether electricity is consumed or not, per month.	R850.47	R958.65
2.1.3	Energy charge per kWh	289.41 Cents/kWh	326.22 Cents/kWh

### 3. INDUSTRIES (CONVENTIONAL AND PREPAID)

This tariff shall apply to erven, stands, premises or any other area/property zoned as industrial 1, 2, 3 & 4 and which are used for commercial purposes:

#### 3.1 BASIC AND ENERGY CHARGE

This tariff shall apply to industries with a maximum demand of not exceeding 100 amperes per phase on a single or three phase supply as well as customers for agricultural purposes that cannot be classified under item 1

3.1.1	Basic charge, per single phase connection, connected or not connected, per month.	R893.86	R1,007.55
3.1.2	Basic charge, per three phase connection, connected or not connected, per month.	R1,933.92	R2,179.92
3.1.3	Energy charge per kWh.	289.41 Cents/kWh	326.22 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.	R2,338.81	R2,636.31
4.1.2	Low voltage: Demand charge, per kVA, per month.	R354.06	R399.10
4.1.3	High voltage: Demand charge, per kVA, per month	R349.01	R393.40
4.1.4	Low voltage: Energy charge per kWh.	128.20 Cents/kWh	144.51 Cents/kWh
4.1.5	High voltage: Energy charge per kWh.	125.98 Cents/kWh	142.00 Cents/kWh
4.1.6	Minimum charge, per month: (13 000 kWh) high voltage	R16,377.00	R18,460.00
4.1.7	Minimum charge, per month: (13 000 kWh) low voltage	16,640.00	18,785.68

### 5. MUNICIPAL DEPARTMENTS

Charges for electricity are raised at cost price of the previous financial year.

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### 6. ITINERANT CUSTOMERS' SUPPLY

This tariff shall apply to itinerant or temporary customers such as carnivals, fêtes, circuses, and other supply of a similar nature.

6.1	For electricity consumed, per kWh	642.76 cents	724.52 cents
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### 7. UNMETERED CUSTOMERS SUPPLY

This tariff shall apply where it is impractical to meter installations or meter does not have actual consumption history. Fixed estimated consumption will be used.

### 8. TELEPHONE REMINDER SERVICE

The charge payable in respect of a telephone reminder is as follows:

The charge payable in respect of a telephone or cell phone reminder (including text sms) is as follows: For every telephone reminder	R35.74	R37.89
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### 9. REMINDER SERVICE

The charge payable in terms of Council's Credit Control Policy is as follows:

For every notice in respect of an unpaid customer account after the due payment date of the month (including written notice/letter or email):	R77.44	R82.09
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## **PART 2**

### **GENERAL CHARGES**

The following charges and conditions shall apply in respect of general services rendered by the Council.

#### **1. INSTALLATION TEST CHARGES**

1	For the first test and inspection of a new installation or of additions or alterations to an existing installation on receipt of a written request to do so.	R297.89	R315.77
2	If the installation fails to pass the test or is not approved of, a charge shall be paid for each subsequent test or inspection.	R333.64	R353.65
3	On the failure of the contractor or his authorized agent to keep an appointment made for the purpose of testing or inspecting an installation a charge shall be paid for each additional visit necessitated thereby.	R333.64	R353.65

#### **2. CHARGES FOR ADMIN RELATING TO CREDIT CONTROL ACTION (INCLUDING NORMAL DISCONNECTION AND RECONNECTION)**

1. The charges for credit control admin relating to disconnection/reconnection of conventional meters and unblock of pre-paid meters because of non-payment of account or for non-compliance with any of the regulations or by laws of the Council shall be as follows:

(i)	(a) During working hours: ordinary reconnection:	R834.10	R884.15
	(b) During working hours: request for urgent reconnection:	R1,245.20	R1,319.92
(ii)	After working hours: Request for reconnection:	R1,245.20	R1,319.92
(iii)	After working hours: Request for unblock of pre-paid card:	R1,245.20	R1,319.92
(iv)	Removal of Installation on unauthorised reconnection	R2,323.58	R2,463.00

2. Charges for temporary disconnection on request of any customer:

(i)	During working hours:	R834.10	R884.15
(ii)	After working hours: Request for reconnection:	R1,245.20	R1,319.92

### **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%.

#### **4 SPECIAL METER READINGS**

The charge for the special reading of a meter at the request of a customer shall be:	R125.11	R132.62
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#### **5 TESTING OF METERS**

The charge for testing a meter at the request of a customer is (Refundable if faulty). *Increase in line with SABS.*

(a)	Maximum demand meter, per meter:	R3,327.50	R3,660.25
(b)	kWh three phase meter, per meter:	R1,996.50	R2,196.15
(c)	kWh single phase meter, per meter:	R865.15	R951.67

#### **6. POWER FAILURE**

When the energy services department is called upon to rectify a failure of the supply and such failure is found to be due to any cause other than a fault in the Council's mains or apparatus, a charge shall be payable by the customer for each such attendance.	R834.11	R884.16
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#### **7. EXTENSION OF SUPPLY MAINS**

- 7.1. 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.
- 7.2. 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



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.

#### 14. DEPOSIT FOR ESTIMATES.

When a new connection or an extension of a main is required, a deposit shall be payable for estimating the cost. This amount shall be subtracted from the total connection charges and if the connection is not made, the amount shall be forfeited.	R834.11	R884.16
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#### 15. DEPOSITS FOR SUPPLY OF ELECTRICITY.

1	Minimum deposit payable in terms of section : 12 (1) (a) of the by laws shall be:		
	Domestic users/South African citizens	R3,547.81	R3,760.68
	Domestic users /Non South African citizens	R10,646.04	R11,284.80
	Business users/South African citizens	R7,096.93	R7,522.74
	Business users/Non South African citizens	R10,646.04	R11,284.80

#### 16. CASH POWER.

	For the issuing of a pre-paid electricity card upon registration	Free of charge	Free of charge
	For the issuing of a duplicate card	R83.40	R88.40

#### 17. PRE-PAID METER ADMINISTRATION FEE.

When using an incorrect meter number when purchasing electricity 961.41 961.41

#### 18. PENALTIES

The following penalties shall be payable:

Connecting illegally to the electricity grid without a supply agreement or tampering with or interfering with any service connection or any service protection device or supply or any other equipment of the municipality:

11.1	Charge for residential consumers CR/49/09/19	First bridge: R79,742.74	First bridge: R84,527.30
		Second bridge: R193,660.94	Second bridge: R205,280.60
		Third bridge R569,591.00	Third bridge R603,766.46
11.2	Business/Industrial, and any other consumer including renting of rooms	First bridge R233,200.00	First bridge R247,192.00
		Second bridge R657,200.00	Second bridge R696,632.00
		Third bridge R1,139,182.00	Third bridge R1,207,532.92
11.2	Total connection off the grid – Business/Industrial and Non-domestic. CR/49/09/19		
<b>The average electricity consumption may be back charged for 12 months after monitoring of the consumption on a meter for three consecutive months.</b>			
11.3	<b><u>Excavations within areas leading to damage to electricity cables, including attempts of theft:</u></b>		
11.3.1	95mm <sup>2</sup> 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R17,301.80	R18,339.90
11.3.2	185mm <sup>2</sup> 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R20,447.58	R21,674.44
11.3.3	10mm <sup>2</sup> Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R1,572.88	R1,667.25
11.3.4	16mm <sup>2</sup> Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R1,887.46	R2,000.70
11.3.5	16mm <sup>2</sup> 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,516.62	R2,667.62

11.3.6	25mm <sup>2</sup> 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,831.20	R3,001.07
11.3.7	35mm <sup>2</sup> 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,988.48	R3,167.79
11.3.8	16mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,831.20	R3,001.07
11.3.9	25mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,988.48	R3,167.79
11.3.10	35mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3,145.77	R3,334.52
11.3.11	50mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3,460.35	R3,667.97
11.3.12	70mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3,617.64	R3,834.70
11.3.13	95mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R1,887.46	R2,000.70
11.3.14	150mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,516.62	R2,667.62
11.3.15	185mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R4,875.96	R5,168.52
11.3.16	240mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R5,505.11	R5,835.42
11.3.17	300mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R6,291.56	R6,669.05
11.3.18	1.5mm <sup>2</sup> x 19, 230V armored traffic light cable, per cable plus additional cost incurred of material, labor & transport.	R1,572.88	R1,667.25
11.4	Connecting illegally to the electricity grid without a supply agreement, including all electricity generation. (Fixed fine).	R79,742.74 for residential and R170,877.30 for business and industrial consumers	R84,527.30 for residential and R181,129.94 for business and industrial consumers
11.5	Reselling electricity at excessive charges which are not justified to the satisfaction of the Council, following a written notice comply (Fixed fine plus charged per month since date of notice).	R7,864.45	R8,336.31
11.6	Painting, defacing, pasting posters, tampering or interfering with any service connection or service protection device or supply or any other equipment of the Council. (Fixed fine plus cleaning/re-painting/repairing cost incurred).	R15,728.91	R16,672.64
11.7	Willfully hindering, obstructing, interfering with or refusing admittance to any duly authorized official of the Council in the performance of his duty under these By-laws or of duty connected therewith or relating thereto, per incident. (Fixed fine).	R7,864.45	R8,336.31
11.8	Damages to streetlights, traffic lights, meter boxes or any other electrical equipment of the Council, due to vandalism, theft or accidents. (Fixed fine, plus material, labor & transport plus 10% admin fee)	R15,728.91	R16,672.64
11.9	Any theft, attempting theft or vandalism at any Electrical Substation. (Fixed fine, plus material, labor & transport plus 10% admin fee)	R157,289.13	R166,726.48
11.10	First Test for Inspection. (Fixed cost)	R309.81	R328.39
11.11	Second Test for Inspection. (Fixed cost)	R345.55	R366.28
11.12	Third Test for Inspection. (Fixed cost)	R381.30	R404.18

**SCHEDULE 6:****TARIFFS PAYABLE I.R.O. COMMUNITY CENTRES, SPORT FACILITIES, SWIMMING POOLS, DEVELOPMENT CLINICS, SHOWGROUND, OCASSIONAL LEASING OF FACILITIES, RENTAL PETER MOKABA STADIUM: 2024/2025****1. Community Centres****1. A Jack Botes Hall****VAT INCLUSIVE IN SCHEDULE 6:**

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
	<b>Rental</b>		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R5,103.90	R5,410.13
2	The use of the Community Hall by Government Organisations and other organisations, per day	R5,535.32	R5,867.44
3	The use of the Community Hall by Business, per day	R5,954.02	R6,311.26
	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R5,954.02	R6,311.26
4	The use of equipment:		
	Microphone and stand	R851.18	R902.25
	Bain marine	R58.04	R61.52
	Round tables	R58.04	R61.52
	Kitchen and equipment	R1,936.57	R2,052.76
	Deposit(Events where entrance fee is not charged)	R4,804.98	R5,093.28
	Cleaning per event	R2,905.46	R3,079.79
5	Deposit for events where entrance fee is charged	R10,176.00	R10,786.56

**1.B Nirvana Community Hall**

	<b>Rental</b>		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R4,092.66	R4,338.22
2	The use of the Community Hall by Government Organisations and other organisations per day	R4,284.52	R4,541.59
3	The use of the Community Hall by Businesses per day	R4,934.30	R5,230.36
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4,934.30	R5,230.36
5	Deposit(Events where entrance fee is not charged)	R3,924.12	R4,159.57
6	Use of equipment:		
	Round table per table	R59.36	R62.92
	Sound System	R803.48	R851.69
7	Cleaning per event	R2,905.46	R3,079.79
8	Deposit for events where entrance fee is charged	R10,176.00	R10,786.56

**1.C Westenburg Community Hall**

	<b>Rental</b>		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R4,092.66	R4,338.22
2	The use of the Community Hall by Government organisations and other organisations per day	R4,284.52	R4,541.59
3	The use of the Community Hall by Businesses per day	R4,891.90	R5,185.41
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4,934.30	R5,230.36
5	Use of equipment:		
	Round table per table	R58.30	R61.80
	Sound system	R803.48	R851.69
6	Deposit(Events where entrance fee is not charged)	R3,897.62	R4,131.48
7	Cleaning per event	R2,905.46	R3,079.79
8	Deposit for events where entrance fee is charged	R10,177	R10,788

#### 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	R3,538.28	R3,750.58
2	The use of the Community Hall by Government Organisations and other organisations per day	R4,262.26	R4,518.00
3	The use of the Community Hall by businesses per day	R4,679.90	R4,960.69
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4,679.90	R4,960.69
5	Use of equipment:		
	Round table per table	R58.30	R61.80
	Deposit (Events where entrance fee is not charged)	R3,458.78	R3,666.31
6	Deposit for events where entrance fee is charged	R10,176.00	R10,786.56

#### 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	R608.44	R644.95
2	The use of the Community Hall by Government Organisations and other organisations per day	R2,562.02	R2,715.74
3	The use of the Community Hall by businesses per day	R2,980.72	R3,159.56
4	Deposit		
5	Cleaning per event	R151.58	R160.67

### 2 Sport facilities

#### A. Lease agreements and clubhouses

	Lease agreements are for training purposes only for 3 times per week for 2 hours per facility		
<b>1.1 Athletic Club</b>			
	Use of the stadium for practise purposes once a week for a period of 2 hours (including one set of cloakrooms)	R4,141.42 pa	R4,389.91 pa
	For the use of the Olympic swimming pool during week days from 06:00 – 07:00	R2,072.30 pa	R2,196.64 pa
<b>1.2 Indoor Sports Complexes</b>			
	Wrestling club / Judo (880 sqm) A tariff of per sq metre per month is levied Wrestling facilities in Suid Street	R7.42 R884.04 pa	R7.87 R937.08 pa
	Racing Dove Club hall (360 sqm) A tariff of per sq metre per month is levied Racing Pigeon Club hall in Suid Street per month	R116.60 R453.68 pm	R123.60 R480.90 pm
<b>1.3 Recreation Centre</b>			
<b>1.3 a Gymnastics</b>			
	A tariff of per sq metre per month is levied	R7.42	R7.87
	Hall 4: 760 sqm (Polokwane Gymnastics Academy) per month	R5,221.56 pm	R5,534.85 pm
	Hall 1: 360sqm (Polokwane Gymnastics Academy) per month	R2,494.18 pm	R2,643.83 pm
<b>1.3 b Karate</b>			
	A tariff of per sqm per month is levied	R7.42	R7.87
	Hall 2: Ekstein Karate club - 360 sqm	R2,493.12 pm	R2,642.71 pm
	Hall 3: Ekstein Karate club – 360 sqm	R2,493.12 pm	R2,642.71 pm
<b>1.3 c Badminton</b>			
	Per court per annum	R3,181.06 pa	R3,371.92 pa

<b>1.3 d</b>	<b>Squash Court</b>		
	Squash court per court per year	R3,265.86 per court	R3,461.81 per court
<b>1.4</b>	<b>Other sports activities</b>		
<b>a.</b>	Shooting Association	R4,818.76 pa	R5,107.89 pa
<b>b.</b>	Go-cart track per year	R10,302.14 pa	R10,920.27 pa
<b>c.</b>	Off road track per year	R10,302.14 pa	R10,920.27 pa
<b>d.</b>	Radio controlled aeroplanes per year	R4,141.42 pa	R4,389.91 pa
<b>e.</b>	Radio controlled car track per year	R3,438.64 pa	R3,644.96 pa
<b>f.</b>	4 x 4 Track per year	R10,332.88 pa	R10,952.85 pa
<b>g.</b>	Jimmy Moulder Shooting Range	R4,818.76 pa	R5,107.89 pa
<b>1.5</b>	<b>Climbing Wall</b>		
	Lease tariff per year	R885.10	R938.21
<b>6</b>	<b>Grass Surfaced Areas</b>		
<b>#####</b>	<b>Jukskei courts (48 pitts) per pit per year</b>	R171.72 per pit per year	R182.02 per pit per year
<b>6 b</b>	<b>Rugby field</b>		
<b>bi.</b>	Basic tariff per field year	R3,434.40 pa	R3,640.46 pa
<b>6 c</b>	<b>Soccer field</b>		
<b>ci.</b>	Basic tariff per field per year	R3,434.40 pa	R3,640.46 pa
<b>6 d</b>	<b>Hockey</b>		
<b>di.</b>	Basic tariff per field per year	R3,434.40 pa	R3,640.46 pa
<b>6 e</b>	<b>Cricket field / Cricket wickets</b>		
<b>ei.</b>	Basic tariff per field per year	R3,434.40 pa	R3,640.46 pa
<b>eii.</b>	Basic tariff per wicket per year (concrete wickets only)	R1,419.34 pa	R1,504.50 pa
<b>6 f</b>	<b>Softball</b>		
<b>fi.</b>	Basic tariff per field per year	R3,434.40 pa	R3,640.46 pa
<b>6 g</b>	<b>Bowling green per bowling green per year (3 courts)</b>	R1,702.36 court pa	R1,804.50 court pa
<b>6 h</b>	<b>Golf Club per year</b>	R77,586.70	R82,241.90
<b>1.7</b>	<b>All-weather surfaces</b>		
<b>a.</b>	Korfball courts per court per year	R2,072.30 pa	R2,196.64 pa
<b>b.</b>	Netball courts per court per year	R2,072.30 pa	R2,196.64 pa
<b>c.</b>	Ring tennis per court per year	R714.44 pa	R757.31 pa
<b>d.</b>	<b>Tennis courts</b>		
<b>di.</b>	Tennis courts per court per year	R1,852.88 pa	R1,964.05 pa
<b>dii.</b>	Coaching at tennis courts per month	R714.44 pa	R757.31 pa
<b>diii.</b>	Playball per court per month	R365.70 pm	R387.64 pm
<b>e.</b>	Practice wall at tennis court per practise wall per year	R2,072.30 pa	R2,196.64 pa
<b>f.</b>	Volleyball court per court per year	R2,072.30 pa	R2,196.64 pa
<b>g.</b>	Basketball per court per year	R2,072.30 pa	R2,196.64 pa
<b>1.8</b>	<b>All-weather surfaces (Combination courts)</b>		
<b>a.</b>	Volleyball, ring tennis combination court per year.	R1,390.72 pa	R1,474.16 pa
<b>b.</b>	Tennis court / netball court combination court per year	R1,390.72 pa	R1,474.16 pa
<b>c.</b>	Tennis / Soccer combination court per court per year	R1,390.72 pa	R1,474.16 pa

<b>1.9</b>	<b>Ground surface fields / courts</b>	R1,390.72 pa	R1,474.16 pa
<b>a.</b>	Soccer field per field per year	R1,390.72 pa	R1,474.16 pa
<b>b.</b>	Baseball court per court per year	R1,079.08 pa	R1,143.82 pa
<b>c.</b>	Netball field per field per year	R1,079.08 pa	R1,143.82 pa
	<b>Leasing of areas where clubhouses are erected</b>		
	Bushveld Hunting Association (905 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Rugby Club (370 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Golf Club (1 475 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Cricket Club (578 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Bowling Club (725 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Jukskei Club (198m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Tennis Club (239 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Motocross Clubhouse (260m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Noordelike Rugby Club (456 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Athletic Club (178 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Police Social Club (532 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Diving Club (30 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
	Polokwane Squash Club (100 m <sup>2</sup> )	R18.02 per m <sup>2</sup> pa	R19.10 per m <sup>2</sup> pa
<b>1.1</b>	<b>Preparation of these facilities (subject to lease agreements) per occasion</b>		
<b>1.10 a</b>	<b>Jukskei courts</b>		
<b>ai.</b>	Renting of the facility per 24 hours	R281.96	R298.88
<b>aii.</b>	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78
<b>1.10 b</b>	<b>Rugby field</b>		
<b>bi.</b>	Renting of the facility per 24 hours	R426.12	R451.69
<b>bii.</b>	Administrative booking fee per 24 hour period/day (not refundable)	R90.10	R95.51
<b>1.10 c</b>	<b>Soccer field</b>		
<b>ci.</b>	Renting of the facility per 24 hours	R426.12	R451.69
<b>cii.</b>	Administrative booking fee per 24 hour period/day (not refundable)	R90.10	R95.51
<b>1.10 d</b>	<b>Hockey</b>		
<b>di.</b>	Renting of the facility per 24 hours	R426.12	R451.69
<b>dii.</b>	Administrative booking fee per 24 hour period/day (not refundable)		
<b>1.10 e</b>	<b>Cricket field</b>		
<b>ei.</b>	Renting of the facility per 24 hours	R359.34	R380.90
<b>eii.</b>	Renting of the facility. Practice nets per occasion (grass)	R97.52	R103.37
<b>eiii.</b>	Sinthetic surface per game	R161.12	R170.79
<b>eiv.</b>	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78
<b>ev.x</b>	Putting out of pitch covers per pitch	R331.78 per occasion	R351.69 per occasion
<b>1.10 f</b>	<b>Softball</b>		
<b>fi.</b>	Renting of the facility per 24 hours	R355.10	R376.41
<b>fii.</b>	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78

<b>1.10 g</b>	<b>All-weather surfaces (Combination and other courts)</b>		
gi.	Renting of the facility per 24 hours	R171.72	R182.02
gii.	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78
<b>1.10 h</b>	<b>Ground surface fields/courts</b>		
hi.	Renting of the facility per 24 hours	R355.10	R376.41
hii.	Administrative booking fee per 24 hour period/day not refundable)	R75.26	R79.78
<b>1.10 I</b>	<b>Advertisement Boards at Sport Facilities</b>		
	Sport clubs are allowed to erect advertisement boards at their sport fields, in accordance with the sport policy, per advertisement board per year	R171.72 Per advertisement board pa	R182.02 Per advertisement board pa

**B. Leasing of facilities on occasional basis**

<b>1</b>	<b>SPORTS FACILITIES</b>		
	<b>06:00 – 24:00</b>		
<b>1.1</b>	<b>OLD PETER MOKABA STADIUM</b>		
<b>1.1.1a</b>	Professional Sports per match (e.g. PSL Premier Soccer League and Rugby games), competitions)  All stadium facilities, including parking area and lights	15 % of the gate takings with a minimum of R57,762.58	15 % of the gate takings with a minimum of R61,228.33
<b>1.1.1b</b>	PSL First division league per match	15 % of the gate takings with a minimum of R6,250.82	15 % of the gate takings with a minimum of R6,625.87
<b>1.1.1c</b>	Events such as cultural festivals, social meetings, religious gatherings, Entertainment events, political events/rallies and Music	15 % of the gate takings with a minimum of R57,762.58 With a Deposit of R50,000.00	15 % of the gate takings with a minimum of R61,228.33 With a Deposit of R50,000.00
	Cleaning fee	R5,068.92	R5,373.06
	Deposit for Sports matches	R20,355.18	R21,576.49
	Deposit kitchen appliances	R1,222.18	R1,295.51
	3 Phase electricity (calculated from time of connection)	R90.10 per hour	R95.51 per hour
<b>1.1.2</b>	<b>Amateur Sport</b>		
<b>1.1.2 a</b>	<b>Ball games (rugby, hockey, amateur soccer)</b>		
	Deposit	R1,703.42	R1,805.63
	Day match	R756.84	R802.25
	Night match	R4,373.56	R4,635.97
	Additional 3 phase electricity	R95.40 per hour	R101.12 per hour
	Deposit kitchen appliances	R1,026.08	R1,087.64
	Development clinics	R1,026.08	R1,087.64
	Marking of facility for clinics	R355.10	R376.41
	PA System	R362.52	R384.27
<b>1.1.2 b</b>	<b>Athletics meeting</b>		
	Deposit	R1,703.42	R1,805.63
	Electronic timing	R1,703.42	R1,805.63
	Morning: 07:00 - 12:00	R885.10	R938.21
	Afternoon: 12:00 - 18:00	R885.10	R938.21
	All day : 07:00 - 18:00	R1,577.28	R1,671.92
	Evening : After 18:00 Facilities and lights included	R526.82 per hour with a minimum of R1,022.90	R558.43 per hour with a minimum of R1,084.27
	Development clinics	R341.32	R361.80
	Deposit on athletics equipment	R1,703.42	R1,805.63
	Additional 3 phase electricity	R95.40 per hour	R101.12 per hour
	Deposit kitchen appliances	R970.96	R1,029.22
	PA System	R307.40	R325.84

<b>1.1.3</b>	<b>Events at other Sports and Recreation facilities</b>		
<b>1.1.3 ai</b>	<b>Where entrance fees is not charged: Events such as cultural festivals, meetings, religious gatherings, military parades and music festivals</b>		
	Deposit	R20,355.18	R21,576.49
	All day	R10,786.56	R11,433.75
	Additional 3 phase electricity	R95.40 per hour	R101.12 per hour
	Deposit kitchen appliance	R1,026.08	R1,087.64
	Cleaning	R4,845.26	R5,135.98
<b>1.1.3a ii</b>	<b>Where entrance fees is charged: Events such as cultural festivals, meetings, religious gatherings, military parades and music festivals</b>		
	Deposit	R22,815.44	R24,184.37
	All day	R21,571.00	R22,865.26
	Additional 3 phase electricity	R95.40 per hour	R101.12 per hour
	Deposit kitchen appliance	R101.76	R107.87
	Cleaning	R4,844.20	R5,134.85
<b>1.1.3 b</b>	<b>Kiosks outside Stadium</b>		
	Per kiosk per day	R171.72	R182.02
	Key Deposit	R273.48	R289.89
<b>1.1.4</b>	<b>Rental of Oom Koos Smit hall</b>		
	<b>When the hall is not in use, it is leased to individuals / organizations.</b>		
	Renting of hall	R1,703.42	R1,805.63
	Rent sound system	R307.40	R325.84
	Deposit hall	R1,026.08	R1,087.64
	Deposit for use of sound equipment	R1,424.64	R1,510.12
	<b>Leasing of the hall by sports clubs, sports bodies, and sports unions, with the purpose of having a meeting.</b>		
	Leasing of hall	R171.72	R182.02
	Deposit hall	R572.40	R606.74
	Deposit kitchen appliances	R1,026.08	R1,087.64
	Deposit for use of sound equipment	R1,411.92	R1,496.64
<b>1.1.5</b>	<b>Road races and Cross Country meetings</b>		
	Use of toilets and change-rooms during road races and cross country meetings at a time (no equipment will be available)	R885.10	R938.21
	Deposit	R1,605.90	R1,702.25
<b>1.1.6</b>	<b>Practice at the Stadium</b>		
<b>1.1.6 a</b>	<b>Rugby practice Professional</b>		
	Rugby practice session for 2 hours at a time – Practice lights and marking of field included.	R714.44	R757.31
	Pre-match training (match day minus one)	R682.64	R723.60
	Deposit	R13,206.54	R13,998.93
<b>1.1.6 b</b>	<b>Soccer practice Professional</b>		
	Soccer practice session by a professional soccer team for 2 hours at a time – practice lights and marking of field included	R714.44	R757.31
	Pre –match training(match day minus one)	R682.64	R723.60
	Deposit	R13,206.54	R13,998.93
<b>1.1.6 c</b>	<b>Athletics practice</b>		
<b>i.</b>	Practice session of 2 hours or less	R16.96 per athlete	R17.98 per athlete
<b>ii.</b>	<b>Group bookings</b> All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following year	R16.96 per athlete with a minimum of R2,418.92 per annum	R17.98 per athlete with a minimum of R2,564.06 per annum
<b>iii.</b>	<b>Season Ticket</b> A person who is not a member of an athletic club but who regularly practices at the stadium 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.		
	<b>Per seasonal ticket per person per year</b>	R712.32 pa	R755.06 pa



1.1.6 d	Squash Courts at Stadium Practice per individual for 2 hours	R42.40	R44.94
	Seasonal tickets per club per individual	R756.84	R802.25
	Per individual plus lights (Tokens to be bought) Practice 3 times per week for a maximum of two hours daily	R3,265.86	R3,461.81
	<b>Key Deposit</b>	R273.48	R289.89
1.1.7	Parking Areas		
	<b>Per occasion:</b>	R712.32	R755.06
	Peter Mokaba Stadium – Parking		
	Peter Mokaba Stadium – VIP Area		
	B + C Rugby Fields – Parking		
1.1.8	Office space		
	Lease of office space per square meter per month	R42.40	R44.94
1.2	<b>REGIONAL SPORT FIELDS (POLOKWANE)</b>		
1.2.1	<b>Netball clubhouse</b>		
	Renting of the clubhouse by sports clubs for meetings	R171.72	R182.02
	Renting of clubhouse by sports clubs for functions	R518.34	R549.44
	Deposit for equipment (tables and chairs)	R518.34	R549.44
1.2.2	<b>Rental of Sports facilities by Schools / clubs without leasing contract at the Municipality</b>		
1.2.2 a	Use of grass per court per match Lights included	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked
1.2.2 b	Use of all-weather per court per match Lights included	R164.30	R174.16
1.2.2 c	Use of grass surfaces for practice purposes per grass surface <u>per season</u> , (unmarked), for a maximum of 2 hours daily, 2 times per week; per club Schools Clubs Lights included	R811.96 R3,238.30	R860.68 R3,432.60
1.2.2 d	Use of all-weather court surfaces for practice purposes: per all-weather surface court <u>per season</u> ; for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs Lights included	R756.84 R2,038.38	R802.25 R2,160.68
1.2.2 e	<b>Practice for (2 hours per session)</b>		
ei.	Grass Surface: Amateur Professional	R114.48	R121.35
eii.	All-weather Surface: Amateur Professional	R74.78 139.5172	R79.27 147.888232
1.2.2 f	Cricket pitch per match	R279.84	R296.63
1.2.2 g	Synthetic cricket pitch per match	R139.92	R148.32
1.2.2 h	Practice nets per net per match	R95.40	R101.12
1.2.3	<b>Events where entrance fees is not charged</b>		
1.2.3 a	Rental of grass surface (per field)at sports fields for presenting a <u>sports day</u> by sport organizations or other business or cultural organizations, per day Deposit lights included	R1,876.20 Sport organizations R3,752.40 Business Organizations R3,410.02	R1,988.77 Sport organizations R3,977.54 Business Organizations R3,614.62
	Deposit	R11,912.28	R12,627.02
1.2.3 b	Use of change room facilities per meeting Lights included Deposit	R885.10  R1,608.02	R938.21  R1,704.50
1.2.3 c	Hiring of the mobile sound system to sports clubs and institutions Deposit Hiring per occasion	 4,867.52 R1,359.98	 5,159.57 R1,441.58

1.2.4	<b>Recreation Centre</b>	R1,876.20 Sport organizations R3,776.78 Business organizations R3,410.02	R1,988.77 Sport organizations R4,003.39 Business organizations R3,614.62
1.2.4 a	Rental of all halls in the recreation centre by a sports club to present a tournament		
	Rental per day	R1,703.42	R1,805.63
	Deposit	R1,703.42	R1,805.63
1.2.4 b	<b>Rental of hall for other functions</b>		
	Per hall per day	R1,703.42	R1,805.63
	Deposit per hall	R1,703.42	R1,805.63
1.2.4 c	<b>Kiosk</b>		
	Rental of kiosk by sports clubs when presenting a sports tournament:		
	Per day	R171.72	R182.02
	Deposit	R171.72	R182.02
1.2.5	<b>Pigeon Club Hall</b>		
	Leasing of hall per occasion other than the pigeon club		
	Per occasion	R852.24	R903.37
	Deposit	R1,703.42	R1,805.63
1.2.6	<b>Tennis Courts</b>		
	Use of court per individual – non club members (net supplied) match (2 hours)	R12.72	R13.48
	Use of court per individual – non club members (net supplied) Seasonal ticket. 2 hours two times per week.	R714.44	R757.31
1.2.7	<b>Tennis complex Burger Street Kiosk</b>		
	Lease of kiosk per month	R1,222.18	R1,295.51
1.3	<b>NIRVANA STADIUM</b>		
1.3.1	<b>Semi Professional Sport (e.g. Soccer, Rugby, League)</b>	15 % of the gate taking with a minimum of	15 % of the gate taking with a minimum of
	All stadium facilities, parking area and lights	R2,589.58	R2,744.95
	Cleaning fee	R4,070.40	R4,314.62
	Deposit	R20,355.18	R21,576.49
1.3.2	<b>Amateur Sports</b>		
1.3.2 a	<b>Ball games (Rugby, hockey and amateur soccer)</b>		
	(Field not marked)		
	<b>Matches</b>		
	Deposit	R1,703.42	R1,805.63
	Day match	R355.10	R376.41
	Night match	R712.32	R755.06
1.3.2 b	<b>Athletics meetings</b>		
	Deposit	R1,831.68	R1,941.58
	Morning : 07:00 - 12:00 (marking included)	R338.14	R358.43
	Afternoon : 12:00 - 18:00 (marking included)	R356.16	R377.53
	All day : 07:00 - 18:00 (marking included)	R683.70	R724.72
	Evening : 18:00 - 23:00 Facilities and lights included (Marking of track extra)	R338.14	R358.43
1.3.2 c	<b>Events</b>		
	<b>Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.</b>		
	Deposit	R6,817.92	R7,227.00
	All day	R6,817.92	R7,227.00
	Cleaning	R4,209.26	R4,461.82
1.3.2 d	<b>Athletics Practice</b>		
i.	Practice session of 3 hours or less 3 times per week allowed	R7.42 per athlete	R7.87 per athlete
ii.	<b>Group bookings</b>		
	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following year	R7.42 per athlete with a minimum of R967.78 per annum	R7.87 per athlete with a minimum of R1,025.85 per annum

<b>iii.</b>	<b>Season Ticket</b>		
	A person who is not a member of an athletic club, but who regularly practices at the stadium, 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	R304.22 p.a	R322.47 p.a
<b>1.4</b>	<b>NIRVANA SPORTS FACILITIES</b>		
<b>1.4 a</b>	<b>Various Ball Games/Soccer field</b>		
<b>ai.</b>	Renting of field for a <u>match</u> by schools / clubs without leasing contract with Municipality. Lights included	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked
<b>1.4 b</b>	<b>Cricket Field</b>		
<b>bi.</b>	Cricket pitch per game	R281.96	R298.88
<b>bii.</b>	Synthetic pitch per game	R145.22	R153.93
<b>biii.</b>	Practice nets per net per 2 hours.	R71.02	R75.28
<b>biv.</b>	Hire of clubhouse per occasion Deposit	R856.48 R1,425.70	R907.87 R1,511.24
<b>1.4 c</b>	<b>Tennis courts</b>		
<b>ci.</b>	Renting of court for a <u>match</u> by schools / clubs without leasing contract per court for 2 hours Lights included	R171.72	R182.02
<b>cii.</b>	Renting of court for <u>practice</u> by schools / clubs without leasing contract per court per occasion Lights included	R95.40	R101.12
<b>ciii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times per week, per club Individuals and Schools Clubs Lights included	R756.84 R1,743.70	R802.25 R1,848.32
<b>civ.</b>	Per individual – non members (2 hours) 3 times a week Lights included	R8.48	R8.99
<b>1.4 d</b>	<b>Action soccer (all weather court)</b>		
<b>di.</b>	Renting of soccer court for a <u>match</u> by schools / clubs without leasing contract per match Lights included	R171.72	R182.02
<b>dii.</b>	Renting of soccer court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R95.40	R101.12
<b>diii.</b>	Use of all-weather court surface for practice purposes per all-weather surface <u>per season</u> for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs Lights included	R756.84 R2,047.92	R802.25 R2,170.80
<b>div.</b>	Use of all-weather court surface ( <u>meetings</u> ) per court per occasion – schools and clubs Lights included	R171.72	R182.02
<b>1.4 e</b>	<b>Basketball court</b>		
<b>ei.</b>	Renting the basketball court for a <u>match</u> by Schools / clubs without leasing contract per court per match. Lights included	R171.72	R182.02
<b>eii.</b>	Renting of the basketball court for <u>practice</u> purposes by Schools / clubs without leasing contract per court per match. Lights included	R171.72	R182.02
<b>eiii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week, per club Schools Clubs Lights included	R756.84 R2,047.92	R802.25 R2,170.80
<b>eiv.</b>	Use of all-weather court surface ( <u>meetings</u> ) per court per occasion – schools and clubs Lights included	R171.72	R182.02
<b>1.4 f</b>	<b>Squash court</b>		
	Practice per individual for 2 hours	R43.46	R46.07
	Seasonal ticket per club	R3,265.86	R3,461.81
	Practice 3 times per week for a maximum of 2 hours daily	R756.84	R802.25
	Per individual		
	Key Deposit		

<b>1.5</b>	<b>SESHEGO STADIUM</b>		
<b>1.5.1</b>	<b>Professional Sport</b>  (e.g. PSL Soccer League) All stadium facilities, parking area and lights	15 % of the gate takings with a minimum of R2,587.46	15 % of the gate takings with a minimum of R2,742.71
	Cleaning fee	R4,070.40	R4,314.62
	Deposit	R20,355.18	R21,576.49
<b>1.5.2</b>	<b>Amateur sports</b>		
<b>1.5.2 a</b>	<b>Ball games (Rugby, hockey and amateur soccer)</b>		
	Practice – 2 hours (practice lights included) - Professional	R341.32	R361.80
	<b>Matches</b>		
	Deposit	R1,703.42	R1,805.63
	Day match (marking included)	R355.10 per match	R376.41 per match
	Night match (Marking of field not included)	R709.14 per match	R751.69 per match
<b>1.5.2 b</b>	<b>Athletics meetings</b>		
	Deposit on athletics equipment	R1,703.42	R1,805.63
	Morning 07:00 - 12:00 (marking included)	R355.10	R376.41
	Afternoon 12:00 - 18:00 (marking included)	R355.10	R376.41
	All day 07:00 – 18:00 (marking included)	R709.14	R751.69
	Evening After 18:00 – 23:00 Facilities and lights included (Marking of track not included)	R170.66 per hour minimum of R340.26	R180.90 per hour minimum of R360.68
<b>1.5.2 c</b>	<b>Events</b>		
	<b>Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.</b>		
	Deposit	R6,820.04	R7,229.24
	All day	R6,820.04	R7,229.24
	Cleaning	R4,070.40	R4,314.62
<b>1.5.2 d</b>	<b>Athletics Practice</b>		
i.	Practice session of 2 hours	R12.72 per athlete	R13.48 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	R10.60 per athlete with a minimum of R1,161.76 p.a	R11.24 per athlete with a minimum of R1,231.47 p.a
iii.	Season Ticket  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	R304.22  R145.22 R per athlete with a minimum of R1,161.76 p.a.	R322.47  R153.93 R per athlete with a minimum of R1,231.47 p.a.
<b>1.6</b>	<b>SESHEGO SPORT COMPLEX</b>	R304.22	R322.47
<b>1.6 a</b>	<b>Netball courts</b>		
ai.	Rental of court for <u>match</u> by schools / clubs without leasing contract with the Municipality, per court per match Lights included	R145.22	R153.93
aii.	Rental of the court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R71.02	R75.28
aiiii.	Use of all-weather court surface for practice purposes per season for a maximum of 2 hours daily, 3 times a week, per club Schools Clubs Lights included	R519.40 R2,047.92	R550.56 R2,170.80
aiv.	Use of all-weather surface ( <u>meetings</u> ) <u>per court</u> per match – schools and clubs Lights included	R145.22	R153.93
<b>1.6 b</b>	<b>Basketball court</b>		
bi.	Rental of court for <u>match</u> by schools / clubs without leasing contract per court for 2 hours Lights included	R145.22	R153.93

<b>bii.</b>	Rental of the court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours daily, Lights included	R71.02	R75.28
<b>biii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Schools [lights included] Clubs [lights included]	R519.40 R2,047.92	R550.56 R2,170.80
<b>biv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per match. Lights included. per court per occasion – schools and clubs Lights included	R145.22	R153.93
<b>1.6 c</b>	<b>Volleyball courts</b>		
<b>ci.</b>	Rental of court for <u>matches</u> by schools / clubs without leasing contract per court per match. Lights included	R145.22	R153.93
<b>cii.</b>	Rental of the court for <u>practice</u> by schools / clubs without leasing contract per court per court for 2 hours. Lights included	R71.02	R75.28
<b>ciii.</b>	Use of all-weather court surface for practice purposes per all-weather surface <u>per season</u> for a maximum of 2 hours daily, 3 times a week (Lights included), per club Schools Clubs	R519.40 R2,047.92	R550.56 R2,170.80
<b>civ.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per match – schools and clubs Lights included	R145.22	R153.93
<b>1.6 d</b>	<b>B - Soccer field (grass) and Zone 6 soccer fields</b>		
<b>di.</b>	Rental of field for <u>match</u> by schools / clubs without leasing contract per field per match. Lights included	R145.22 not marked R295.74 marked	R153.93 not marked R313.48 marked
<b>dii.</b>	Rental of the field for <u>practice</u> by schools / clubs without leasing contract per field for 2 hours. Lights included	R145.22 not marked R290.44 marked	R153.93 not marked R307.87 marked
<b>diii.</b>	Use of grass surface for practice purposes per grass surface <u>per season</u> (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs Lights included	R519.40 R3,728.02	R550.56 R3,951.70
<b>div.</b>	Use of grass surface ( <u>meetings</u> ) per field per occasion – schools and clubs Lights included	R145.22 not marked R290.44 marked	R153.93 not marked R307.87 marked
<b>1.6 e</b>	<b>Softball court</b>		
<b>ei.</b>	Rental of the field for <u>matches</u> by schools / clubs without leasing contract with the Municipality per court per match. Lights included	R145.22 not marked R290.44 marked	R153.93 not marked R307.87 marked
<b>Eii.</b>	Rental of the field for <u>practice</u> by schools / clubs without leasing contract per court per occasion Lights included	R71.02	R75.28
<b>eiii.</b>	Use of grass surface for practice purposes per grass surface <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs Lights included	R520.46 R3,410.02	R551.69 R3,614.62
<b>eiv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per court – schools and clubs Lights included	R155.82 not marked R319.06 marked	R165.17 not marked R338.20 marked
<b>1.6 f</b>	<b>Tennis courts</b>		
<b>fi.</b>	Rental of court for <u>matches</u> by Schools / clubs without leasing contract per court per match. Lights included	R145.22	R153.93
<b>fii.</b>	Rental of the court for <u>practice</u> by Schools / clubs without leasing contract per court for 2 hours. Lights included	R71.02	R75.28

<b>fiii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Individuals and Schools Clubs Lights included	R520.46 R2,047.92	R551.69 R2,170.80
<b>fiv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court schools and clubs Lights included	R152.64	R161.80
<b>fv.</b>	Per individual – non members (2 hours) Lights included	R13.78	R14.61
<b>1.6 g</b>	<b>CRICKET PRACTICE NETS;</b> Hire of practice nets per occasion	R58.30	R61.80
<b>1.6 h</b>	<b>OTHER;</b> Clubhouse rental for sport meetings Clubhouse rental for functions Deposit	R49.82 R153.70 R485.48	R52.81 R162.92 R514.61
<b>1.7</b>	<b>NGOAKO RAMATHLODI INDOOR CENTRE</b>		
<b>1.7 a</b>	<b>SPORT EVENTS:</b> Rental		
<b>1</b>	International sports event Deposit	R12,320.38 per day R12,320.38 per booking	R13,059.60 per day R13,059.60 per booking
<b>2</b>	National sports event Deposit	R9,208.22 per day R9,208.22 per booking	R9,760.71 per day R9,760.71 per booking
<b>3</b>	Provincial sports event Deposit	R6,145.88 per day R6,145.88 per booking	R6,514.63 per day R6,514.63 per booking
<b>4</b>	Club sports event Deposit	R1,533.82 per day R1,533.82 per booking	R1,625.85 per day R1,625.85 per booking
<b>1.7 b</b>	<b>Sport training</b> <b>Monday to Thursdays only maximum of 3 hours per week</b>		
<b>1</b>	National sports code	R967.78 morning (08:00 – 13:00)	R1,025.85 morning (08:00 – 13:00)
		R1,026.08 afternoon (13:00 – 18:00)	R1,087.64 afternoon (13:00 – 18:00)
		R920.08 evening (18:00 – 22:00)	R975.28 evening (18:00 – 22:00)
	Deposit	R5,804.56 per booking	R6,152.83 per booking
<b>2</b>	Provincial sports code	R765.32 morning (08:00 – 13:00)	R811.24 morning (08:00 – 13:00)
		R765.32 afternoon (13:00 – 18:00)	R811.24 afternoon (13:00 – 18:00)
		R765.32 evening (18:00 – 22:00)	R811.24 evening (18:00 – 22:00)
	Deposit	R1,446.90 per booking	R1,533.71 per booking
<b>3</b>	<b>Club level (all codes)</b> Seasonal ticket Deposit	R3,408.96 R1,446.90 per booking	R3,613.50 R1,533.71 per booking
<b>4</b>	<b>Schools (all codes)</b> Seasonal ticket	R253.34 morning (08:00 – 13:00) R253.34 afternoon (13:00 – 18:00)	R268.54 morning (08:00 – 13:00) R268.54 afternoon (13:00 – 18:00)

	Deposit	R1,446.90 per booking	R1,533.71 per booking
<b>1.7.c</b>	<b>Church services, cultural events, schools, weddings, funerals and meetings etc</b>		
	<b>Rental</b>		
<b>1</b>	The use of the Indoor sport centre by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R5,473.84 per day	R5,802.27 per day
	Deposit (1)	R5,450.52	R5,777.55
<b>2</b>	The use of the Indoor sport centre by Government Organisations and other organisations, per day	R8,690.94 per day	R9,212.40 per day
	Deposit (2)	R8,690.94	R9,212.40
<b>3</b>	The use of the Indoor sport centre by Business, per day	R12,284.34 per day	R13,021.40 per day
	Deposit (3)	R12,284.34	R13,021.40
<b>1.7 d</b>	<b>Exhibitions</b>		
	<b>Rental</b>		
<b>1</b>	Week days (Monday to Thursday)	R12,284.34 per day	R13,021.40 per day
	Deposit	R12,284.34 per day	R13,021.40 per day
<b>2</b>	Weekend (Friday, Saturday and Sunday)	R15,358.34 per day	R16,279.84 per day
	Deposit	R15,358.34 per day	R16,279.84 per day
<b>1.7 e</b>	<b>Events where entrance fee is charged</b>		
	<b>Rental</b>		
	15% of the ticket sales with a minimum of	R8,690.94	R9,212.40
	Deposit	R8,690.94	R9,212.40
<b>1.8</b>	<b>WESTENBURG SPORT FACILITES</b>		
<b>1.8 a</b>	<b>Various ball games - Soccer field (Stadium)</b>		
<b>ai.</b>	Renting of field for a <u>match</u> by Schools / clubs without leasing contract at Municipality per field per match. Lights included	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked
<b>aii.</b>	Renting of the field for practice by Schools / clubs without leasing contract at the Municipality per field for 2 hours. Lights included	R171.72	R182.02
<b>aiii.</b>	Use of grass surface for practice purposes per grass surface <u>per season</u> – Lights included schools clubs	R756.84 R3,410.02	R802.25 R3,614.62
<b>aiv.</b>	Use of grass surface ( <u>meetings</u> ) per field per occasion – schools and clubs	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked
<b>av.</b>	Practise – 2 hours (practice lights included) - Amateur	R171.72	R182.02
<b>avi.</b>	Practise – 2 hours (practice lights included) – Semi -Professional	R224.72	R238.20
<b>1.8 b</b>	<b>Netball courts</b>		
<b>bi.</b>	Renting of court for a <u>match</u> by schools / clubs without leasing contract with Municipality, per court per match. Lights included	R171.72	R182.02
<b>bii.</b>	Renting of the court for <u>practice</u> by schools / clubs without leasing contract with Municipality, per court for 2 hours. Lights included	R95.40	R101.12
<b>biii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times Schools Clubs Lights included	R756.84 R2,045.80	R802.25 R2,168.55
<b>biv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court– schools and clubs Lights included	R171.72	R182.02
<b>bv.</b>	Per individual – non members Lights included 2 Hours	R12.72	R13.48
<b>1.8 c</b>	<b>Tennis courts</b>		
<b>ci.</b>	Renting of court for a <u>match</u> by Schools / clubs without leasing contract with Municipality, per court per match. Lights included	R171.72	R182.02
<b>cii.</b>	Renting of the court for <u>practice</u> by Schools / clubs without leasing contract with Municipality, per court for 32 hours. Lights included	R95.40	R101.12

<b>ciii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week, per club Individuals and Schools Clubs Lights included	R756.84 R2,045.80	R802.25 R2,168.55
	Use of all-weather surface ( <u>meetings</u> ) per court per occasion – schools and clubs Lights included	R171.72	R182.02
	Per individual – non members (2 hours) Lights included	R12.72	R13.48
<b>1.9</b>	<b>GA-MANAMELA SPORTING COMPLEX</b>		
<b>1.9 a</b>	<b>Athletics meetings</b>		
	Day Deposit	R567.10 R567.10	R601.13 R601.13
	Cleaning	R567.10	R601.13
<b>1.9 b</b>	<b>Soccer / Other ball games</b>		
<b>bi.</b>	Rental of field per <u>match</u> schools clubs	R114.48 not marked R218.36 marked	R121.35 not marked R231.46 marked
<b>bii.</b>	Rental of the field for <u>practice</u> by schools clubs	R118.72 not marked R230.02 marked	R125.84 not marked R243.82 marked
	contract per field per occasion	marked	marked
<b>biii.</b>	Use of surface for practice purposes per <u>per season</u> (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs	R1,370.58	R1,452.81
<b>biv.</b>	<b>Events</b>		
	<b>Church services, cultural events, schools, weddings, funerals, and meetings etc</b>		
	The use of the center by individuals, schools, sport clubs, NGO's and other cultural organizations, per day	R5,443.10 per day	R5,769.69 per day
	Deposit (1)	R5,443.10	R5,769.69
	The use of the center by Government Organizations and other organizations, per day	R8,690.94 per day	R9,212.40 per day
	Deposit (2)	R8,690.94	R9,212.40
	The use of the centre by Business, per day	R12,285.40 per day	R13,022.52 per day
	Deposit (3)	R12,285.40	R13,022.52
<b>1.9 c</b>	<b>Tennis courts</b>		
<b>ci.</b>	Rental of court for <u>matches</u> by Schools / clubs without leasing contract per court per match.	R146.28	R155.06
<b>cii.</b>	Rental of the court for <u>practice</u> by Schools / clubs without leasing contract per court for 2 hours.	R72.08	R76.40
<b>ciii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week Schools Clubs	R513.04 R2,165.58	R543.82 R2,295.51
	Use of all-weather surface ( <u>meetings</u> ) per court per occasion – schools and clubs	R146.28	R155.06
<b>cv.</b>	Per individual – non members (2 hours)	R13.78	R14.61
<b>1.9 d</b>	<b>Netball courts</b>		
<b>di.</b>	Renting of court for a <u>match</u> by schools / clubs without leasing contract with Municipality, per court per match.	R146.28	R155.06
<b>dii.</b>	Renting of the court for <u>practice</u> by schools / clubs without leasing contract with Municipality, per court for 2 hours.	R68.90	R73.03
<b>diii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week per club Schools Clubs	R513.04 R2,047.92	R543.82 R2,170.80
<b>div.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per match – schools and clubs	R146.28	R155.06
<b>1.1</b>	<b>SWIMMING POOLS</b>		
<b>1.10.1</b>	<b>Entrance Fees</b>		
<b>a.</b>	Non-residents and residents who do not have seasonal tickets, per person per swimming session	R19.08	R20.22
<b>b.</b>	A resident can buy a seasonal ticket which seasonal ticket on presentation allows the holder thereof entry to any municipal swimming pool during a swimming season or part thereof		



<b>1.10.2</b>	<b>Seasonal tickets</b>		
	The period of validity of the seasonal ticket is the period during which the swimming pool is open to the public as stipulated by the Council in Clause 2 (a) of the Council swimming pool regulations. (1 September – 30 April) Cost of ticket: Per person p.a.	R421.88	R447.19
<b>1.10.3</b>	<b>Group Reservations</b>		
	All schools and pre-schools in Polokwane within the municipal boundaries of Polokwane, may buy a seasonal ticket, which would ensure entrance to the swimming pool during the period from the 1st of September to 30th of April of the following year.		
	Cost per year ticket - per institution	R19.08 per child with a minimum of	R20.22 per child with a minimum of
		R2,483.58	R2,632.59
<b>1.10.4</b>	<b>USE OF SWIMMING POOLS BY SPORTS CLUBS</b>		
<b>a.</b>	For practice purpose by an amateur swimming club per swimming season per lane per annum	R1,137.38	R1,205.62
<b>b.</b>	Swimming instruction per instructor per lane per annum	R1,137.38	R1,205.62
<b>c.</b>	Rental of the diving-pool by a diving-instructor for the purposes of presenting a diving-course, per diver, per day.	R28.62 per diver per day	R30.34 per diver per day
<b>d.</b>	Rental of the swimming pool area for swimming galas by the Pietersburg Swimming Club and schools per gala	R715.50	R758.43
<b>e.</b>	Parking Areas per day per occasion	R715.50	R758.43

**a. TARIFFS FOR DEVELOPMENT CLINICS (AGE GROUP 6 – 18 YEARS)**

<b>Ci</b>	<b>FOR CLUBS WHO DO DEVELOPMENT</b>		
	<b>All grass surfaces.</b>		
	Surfaces such as: Soccer, rugby, softball, hockey, etc.		
	Per age group per year for 2 hours 2 times per week. For those who don't charge per age group-per year for 2 hours 2 times per week for those who charge fees	R885.10 pa	R938.21 pa
	Surface such as Netball, volleyball, korfbal, ring tennis, tennis etc.	R1,242.32 pa	R1,316.86 pa
	<b>All weather surfaces</b>		
	Per age group per year 2 hours 3 times per week for those who don't charge fees	R508.80	R539.33
	Per age group per year 2 hours 3 times per week for those who charges fees	R1,242.32 pa	R1,316.86 pa
	Per age group per year	R508.80 pa	R539.33 pa
	<b>Swimming pools</b>		
	Per age group per year	R366.76 per child pa	R388.77 per child pa
<b>Cii</b>	Clubs/individuals which charge for development	R367.22 per child pa	R389.25 per child pa
<b>Ciii</b>	<b>PRIVATE ORGANISATIONS / INDIVIDUALS</b>		
	<b>Cricket Facilities</b>		
	Cricket pitch per occasion	R283.02	R300.00
	Synthetic cricket pitch per occasion	R146.28	R155.06
	Cricket practice nets per net per occasion	R103.88	R110.11
	Concrete cricket practice wicket per wicket per year	R1,424.64	R1,510.12
	<b>All Weather Surfaces</b>		
	Surfaces such as: Netball, volleyball, korfbal, ring tennis, tennis, etc. per occasion (games / practice)	R171.72	R182.02
	<b>Grass Surfaces</b>		
	Surfaces such as: Soccer, rugby, softball, hockey, etc. Unmarked per occasion (game / practice) Marked per occasion (game / practice)	R171.72 R341.32	R182.02 R361.80
	<b>Swimming Pools</b>		
	For practice purposes per lane per occasions	R72.08	R76.40
	<b>HEALTH SERVICE TARIFFS</b>		
1	Registration of Social development institutions	R144.16	R152.81
2	Inspections for issuing of Certificate of Acceptability	R288.32	R305.62

**SHOWGROUND**

<b>1</b>	<b>The leasing of the oval track to host an event including ticket offices, kitchen, kiosk, beer garden, two sets of toilets and commentary box per 24 hours.</b>		
	Category A = individuals schools, sport clubs, NGO's	R5,316.26 (VAT Included)	R5,635.24 (VAT Included)
	And other cultural organisations		
	Category B = Government and other organisations	R8,262.82 (VAT Included)	R8,758.59 (VAT Included)
	Category C = Businesses	R11,208.40 (VAT Included)	R11,880.90 (VAT Included)
	Deposit payable by Category A, B, C -users:	R7,447.05	R7,893.87
	Key Deposit	R145.33	R154.05
	Practice on oval track	R145.33	R154.05
	car for two hours		car for two hours
<b>2</b>	<b>The leasing of a hall to host an event including ticket offices, kiosk, beer garden, toilets (main block) per 24 hours per hall:</b>	R5,450.46 (VAT Included)	R5,777.48 (VAT Included)
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R5,171.22 (VAT Included)	R5,481.49 (VAT Included)
	Category B = Government and other organisations	R5,195.97 (VAT Included)	R5,507.73 (VAT Included)
	Category C = Businesses	R7,377.72 (VAT Included)	R7,820.38 (VAT Included)
	Deposit payable by Category A, B C -users:	R3,012.67	R3,193.43
<b>3</b>	<b>The leasing of the arena to host a musical festival, including ticket offices, kitchen, kiosk, beer garden, toilet facilities, commentary boxes per 24 hour:</b>		
	Category A = individuals schools, sport clubs, NGO's and other cultural organisations	15% of the gate taking with a minimum of R9,704.95 (VAT Included)	15% of the gate taking with a minimum of R10,287.24 (VAT Included)
	Category B = Government and other organisations	15% of the gate taking with a minimum of R15,100.11 (VAT Included)	15% of the gate taking with a minimum of R16,006.12 (VAT Included)
	Category C = Businesses	15% of the gate taking With a Minimum of R21,571.00 (VAT Included)	15% of the gate taking With a Minimum of R22,865.26 (VAT Included)
	Deposit payable by Category A, B C -users:	R15,100.11	R16,006.12
	The use of 3 phase power per hour:		
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R42.85 per hour (VAT Included)	R45.42 per hour (VAT Included)
	Category B = Government and other organisations	R60.81 per hour (VAT Included)	R64.46 per hour (VAT Included)
	Category C = Businesses	R103.69 per hour (VAT Included)	R109.91 per hour (VAT Included)
	<b>Additional Fees</b>		
	The following fees are payable if the Council has to clean the toilet facilities and surrounding area during an event mentioned in 1,2 or 3 per 24 hours:	Week days and Saturdays/ Sundays	Week days and Saturdays/ Sundays
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R1,025.93 Week days R1,273.34 Saturdays/Sunday s (VAT Included)	R1,087.49 Week days R1,349.74 Saturdays/Sunday s (VAT Included)

	Category B = Government and other organisations	R1,511.23 Week days R1,862.42 Saturdays/Sundays (VAT Included)	R1,601.91 Week days R1,974.17 Saturdays/Sundays (VAT Included)
	Category C = Businesses	R2,032.88 Week days R2,649.41 Saturdays/Sundays (VAT Included)	R2,154.85 Week days R2,808.37 Saturdays/Sundays (VAT Included)
<b>4</b>	<b>The lease of all the facilities at the showground to host the annual show.</b>		
	Category C = Businesses	R146,968.02 (VAT Included)	R155,786.11 (VAT Included)
	Deposit halls	R44,432.06	R47,097.99
	Deposit water consumption	R29,051.24	R30,794.31
	Deposit electricity consumption	R68,356.39	R72,457.77
	During the duration of the show, the organiser will be responsible for the following:		
	Cleaning of the site, halls, toilets, and stables. All the rubbish to be put in the skip containers provided by the Council.		
	Toilet paper and cleaning material for toilets, as well as refuse bags to collect rubbish.		
	Own security.		
	Key Deposit		

#### **OCCASIONAL LEASING OF FACILITIES**

<b>1</b>	<b>Flea markets</b>		
	Sport facilities.		
	The following conditions will be applicable:		
	Time duration, 07:00 – 22:00;		
	Area of 500 square metres to be leased;		
	Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water;		
	The organisers is responsible for the removal of refuse from the area;		
	Lease tariff per day;	R1,511.24	R1,601.92
	Deposit per occasion.	R1,708.97	R1,811.51
<b>2</b>	<b>Art markets</b>		
	Sport facilities situated in Nirvana, Westenburg and Seshego;		
	The following conditions will be applicable:		
	No foodstuffs / vegetables may be sold here;		
	Maximum duration, 5 days;		
	Exhibitors must provide their own toilet facilities if not available;		
	Area of 50 square meters to be leased;		
	Rental tariff, per day.	R85.71	R90.85
<b>3</b>	<b>Circus or amusement park area</b>		
a.	For the first two days - per day or part thereof	R1,511.24	R1,601.92
b.	Thereafter - per day or part of a day	R756.21	R801.59
	General		
	Should electricity be required Deposit	R1,375.75	R1,458.30
	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

**GA-KGOROSHI RECREATIONAL PARK**

**Entrance into the picnic area.**

Per vehicle	R24.60	R26.08
Per adult in the vehicle	R18.45	R19.56
Per person under the age of 18 years in the vehicle	R14.76	R15.64
School bus entrances – per bus	R92.28	R97.82
For conferences, meetings, parties and church ceremonies	Deposit of R2,215.02 plus R764.73 fee per day	Deposit of R2,347.92 plus R810.61 fee per day
For open-air festivals and other income – generating activities	Deposit of R2,461.13 plus R861.39 fee per day	Deposit of R2,608.80 plus R913.07 fee per day
Market stalls sites – and area of 50 square meters to be leased	R99.24 per day	R105.19 per day

**Usage of Halls.**

For conferences, meetings, parties and church ceremonies	Deposit of R1,845.78 plus R615.28 fee per day	Deposit of R1,956.52 plus R652.19 fee per day
For in-house/under-roof festivals and other income – generating activities	Deposit of R2,215.02 plus R799.87 fee per day	Deposit of R2,347.92 plus R847.86 fee per day

**TARRIFS PAYABLE I.R.O NEW PETER MOKABA STADIUM COMMUNITY DEVELOPMENT FACILITY COMMERCIALISATION**

	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
<b>Basement</b>		
1 Players Lounge ( Theatre style 60)	R6,976.94	R7,395.56
Bar with Equipment	R3,101.32	R3,287.40
2 TV Studios (Tables and Chairs 80)	R3,101.36	R3,287.44
3 Mixed Zone (Theatre style 300 – tables and Chairs)	R9,689.74	R10,271.12
<b>Ground Floor</b>		
1 Press Theatre (148 Seated)	R9,689.74	R10,271.12
2 Press Working Room (50 seated)	R4,844.86	R5,135.55
<b>First Floor</b>		
1 Executive Lounge North (500 Theatre)	R12,433.58	R13,179.59
2 Executive Lounge South (500 Theatre)	R13,179.59	R13,970.37
3 Kitchen	R3,930.82	R4,166.67
Cold Storage room	R1,938.50	R2,054.81
1 Suites Western side (1-12) 22 seated	R3,875.61	R4,108.15
2 Suites Eastern side (1-14) 22 seated	R3,875.61	R4,108.15
3 VVIP Suite West ( no. 13) 48 seated	R7,752.48	R8,217.63
<b>Furniture</b>		
1 Tables	R49.74 per table	R52.72 per table

2	Chairs	R49.77 per chair	R52.75 per chair
	Office Rentals		
1	Blue Bulls Rugby	R18,798.76	R19,926.69
2	Limpopo Cricket	R11,278.43	R11,955.14
3	Black Leopards FC	N/A	N/A
	<b>Tours/ Educational visits</b>		
1	Adults	R31.80 per adult	R33.71 per adult
2	Children under the age of 15 years	R15.90 per child	R16.85 per child
	<b>Usage of Parking Areas</b>		
1	Exhibitions	R3,875.60 per day	R4,108.14 per day
2	Fun Parks	R3,875.60 per day	R4,108.14 per day
3	Competitions (Excl drag racing and spinning)	R3,875.60 per day	R4,108.14 per day
	<b>Others</b>		
1	Pitch	R97,653.85 per day	R103,513.08 per day
2	Pitch Cover (Excl transport and Installation)	R66.36 per m <sup>2</sup> per day	R70.34 per m <sup>2</sup> per day
3	Speed Fence (Excl transport and Installation)	R95.38 per section per day	R101.10 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: 2024/2025**

The determined tariffs are as follows:

<b>1. CEMETERIES</b>					
<b>1.1 DAHL STREET CEMETERY</b>		<b>Approved tariff 1/07/2023</b>		<b>Proposed tariff 1/07/2024</b>	
	<b>Resident</b>	<b>Non - resident</b>	<b>Resident</b>	<b>Non - resident</b>	
<b>a) Purchase of a grave for immediate use for such cases as mentioned in Clause 19 (1) (a), (b) and (c):</b>					
Adult 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	
Child grave					
<b>b) Opening of graves</b>					
Adult grave	R960.93	R1,056.30	R1,018.59	R1,119.68	
Child grave	R651.21	R716.19	R690.28	R759.16	
Cremated ashes burial	R225.35	R247.49	R238.87	R262.34	
<b>c) For enlarging a grave</b>					
Per 0,25 sqm or part thereof	R496.36	R989.97	R526.14	R1,049.36	
<b>d) Wall of remembrance</b>					
For the approval of affixing a plate to a niche on the wall of remembrance	R183.87	R201.85	R194.90	R213.96	
<b>e) Tombstone approvals</b>					
Single tombstone approval	R183.87	R194.97	R194.90	R206.66	
Double tombstone approval	R359.47	R378.88	R381.04	R401.61	
<b>1.2 POLOKWANE, SESHEGO, MANKWENG, SEBAYENG CEMETERIES</b>		<b>Resident</b>	<b>Non-resident</b>	<b>Resident</b>	<b>Non-resident</b>
<b>Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c) of the Pietersburg Municipality: Cemetery By-Laws</b>					
Adult grave	489.4656	R931.89	518.833536	R987.80	
Child grave	R306.92	R580.69	R325.34	R615.53	
Cremated ashes burial	R232.27	R463.17	R246.20	R490.96	
<b>b) Opening of graves</b>					
Adult	R642.14	R1,378.50	R680.67	R1,461.21	
Child grave	R523.13	R1,045.29	R554.52	R1,108.00	
<b>c) For enlarging a grave:</b>					
Per 0,25 sq.m or part thereof	R465.93	R735.56	R493.89	R779.69	
<b>d) Tombstone approvals</b>					
Single tombstone approval	R146.55	R288.00	R155.34	R305.28	
Double tombstone approval	R283.41	R564.10	R300.42	R597.95	
<b>1.3 CHURCH STREET SOUTH CEMETERY</b>					
<b>a) Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c)</b>					
Adult grave	R678.87	R1,354.99	R719.60	R1,436.29	
Child grave	R473.37	R949.88	R501.78	R1,006.87	
Cremated ashes burial	R229.81	R464.55	R243.60	R492.42	
<b>b) Opening of graves</b>					
Adult grave	R613.89	R1,865.19	R650.72	R1,977.10	
Child grave	R651.21	R1,299.69	R690.28	R1,377.67	
<b>c) For enlarging a grave:</b>					
Per 0,25 sq.m or part thereof	R483.91	R967.85	R512.95	R1,025.93	
<b>d) Tombstone approvals</b>					
Single tombstone approval	R194.93	R232.27	R206.63	R246.20	
Double tombstone approval	R387.12	R463.17	R410.35	R490.96	
<b>1.4 EXHUMATION</b>					
<b>a) Exhumation (Council Cemeteries)</b>		<b>Resident</b>	<b>Non resident</b>	<b>Resident</b>	<b>Non resident</b>
		R557.56	R892.52	R591.01	R946.07

<b>2. TOWN LANDS</b>	<b>Approved tariff from 1/07/2023</b>	<b>Proposed tariff from 1/07/2024</b>
<b>2.1 GRAZING</b>		
Tariff structure based on carrying capacity of camp and relevant lease agreement. – Per large stock unit per month. Or as per recommendations of the property valuer and approved by Council.	R113.36	R120.16
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.
<b>2.2 GRASS</b>		
Grass, per bundles with a diameter of 15cm per bundle	R16.57	R17.56
<b>2.2.1 WOOD SALES</b>		
a) Per 8kg bundle		
b) Per bakkie load		
<b><u>NO WOOD TO BE REMOVED FROM THE GAME RESERVE.</u></b>		
<b>2.3 RENTAL OF LAND ON AN OCCASIONAL BASIS (Circus and amusement park)</b>		
For the occasional rental of land on which to pitch tents, erect structures and/or park vehicles on the natural land surface and for which no foundations or permanent hard floors are erected. Per day or part of a day <u>Areas:</u> - Seshego Zone 7 Open area next to Police Station - Open area next to Peter Mokaba Stadium - Nirvana - Open area next to Nirvana Community Hall - Nirvana Open area next to Nirvana Stadium	R912.54	R967.30
<b>Deposit</b>	R1,520.92	R1,612.17
<b>2.3.1 General</b>		
Should electricity be required -Contact Electrical Department at Municipal Offices, Burger Centre, Landdros Mare Street. Consumption is paid at the stipulated tariffs. Provision of services i.e. mowing lawns, water supply and rubbish removal are included in the tariffs, named in 2.3		
<b>3. NURSERY – DECORATIONS</b>		
3.1 Decoration consisting of 5 large, 25 medium and 300 small plants	R5,855.58	R6,206.91
The provision of a fountain extra at 3.1	R532.30	R564.24
<b>Deposit</b>	R1,977.20	R2,095.83
3.2 For the provision of decoration at the stadium during athletics meetings, and other related sports activities.	R2,281.37	R2,418.26
3.3 The provision of 15 plant containers	R1,520.92	R1,612.17
3.4 Provision of plants individually		
a) Small (per plant)	R52.51	R55.66
b) Medium (per plant)	R91.23	R96.71
c) Large (per plant)	R228.12	R241.81
<b>Deposit</b>	R1,520.92	R1,612.17
3.5 Decorations remaining longer than one day – per day extra	R456.26	R483.63
3.5 General Plant decorations should be booked <b>14 days</b> in advance and full payment must be received <b>5 days</b> in advance.		
3.6 Removal of trees on sidewalks Removal per tree	R6,083.72	R6,448.74
<b>4. PARKS</b>		
<b>4.1 AREAS FOR AD HOC CHURCH SERVICES AND OPEN-AIR FUNCTIONS</b>		
§ MacDonald street Park (Park 6149 Flora Park)		
§ River area to the West of Dahl street cemetery		
§ 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 groups, weddings and funerals will be allowed. NO AFTER FUNCTIONS.		
e) No activities after 21:00.		
f) The organisers must provide their own toilets, water and electricity and must also clean the area.		
g) The activities are limited to an 85-decibel sound level.		
<b>Tariff per day</b>	R476.40	R504.98
<b>Deposit per occasion</b>	R2,450.39	R2,597.41
<b>4.2 AREAS FOR FLEA MARKETS</b>		
Park situated in Marshall Street (Flora Park Dam)	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
City Plaza	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Kobie van Zyl Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Sterpark Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Welgelegen Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Savannah Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Grimm Street Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Tzaneen Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Penina Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Annadale Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Nirvana Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Westenburg Park	R130.42 per 50m <sup>2</sup> per day	R138.25 per 50m <sup>2</sup> per day
Zone 1, 2, 3, 4, 5, 7 and Zone 8 Parks, Seshego	R138.25 per 50m <sup>2</sup> per day	R146.54 per 50m <sup>2</sup> per day
The following conditions will be applicable:		
a) Time duration, 07:00 – 22:00;		
b) Area of 500 square metres to be leased;		
c) Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water;		
d) The organisers is responsible for the removal of refuse from the area;		
<b>Tariff per day</b>	R1,731.61	R1,835.50
<b>Deposit per occasion</b>	R1,443.00	R1,529.58
The following conditions will be applicable:		
i) No foodstuffs / vegetables may be sold here;		
ii) Maximum duration, 5 days;		
iii) Exhibitions must provide their own toilet facilities if not available;		
iv) Area of 50 square meters to be leased;		
v) Rental tariff per day		
<b>4.4 STALLS AT PUBLIC MUNICIPAL FUNCTIONS</b>		
Per stall per day	R197.69	R209.55



<b>5. GAME RESERVE / CARAVAN PARK</b>		
<b>ENTRANCE</b>		
Per vehicle	R52.51	R55.66
Per Adult in vehicle	R34.56	R36.63
Per person under the age of 18 in vehicle	R29.86	R31.65
Per Pensioner in vehicle	R29.01	R30.75
Bush braai by qualified Tour operator for 6 people.	R291.32	R308.80
Entrance permit	R279.05	R295.79
A person may obtain a permit allowing entrance to the facility. The validity of the permit is valid for 1 financial year. 1st of July to 30th of June of the following year.	R835.40	R885.52
Persons entering the area on foot. Minimum 2 and maximum 20 per group		
Adults	R34.56	R36.63
Children under the age of 18	R27.63	R29.29
Entering the game reserve by horse Per person with a maximum of 4 persons	R49.76	R52.74
Entering the game reserve by bicycle Per adult with a maximum of 2 persons	R49.76	R52.74
Per adult with a minimum of 2 persons	R35.02	R37.12
Per person under the age of 18 years	R59.43	R63.00
School bus trips Per school bus / visit	R278.78	R295.51
<b>Season ticket game reserve:</b> Season ticket to NPO's, NGO's and Educational institutions within the Polokwane Municipal boundaries may purchase a season ticket to gain access to the game reserve valid for 12 months from the 1 <sup>st</sup> day of July to the 30 <sup>th</sup> day of June the following year. This allows for 10 registered members free access without paying individual or per vehicle entrance fees.		
Cost of year-ticket per institution	R3,348.54	R3,549.45
<b>5. ACCOMMODATION</b>		
<b>5.2 CARAVAN PARK</b>		
<b>5.2.1 Caravans</b>		
Caravan stands per night (12m x 12m in size)	R306.64	R325.04
<b>5.2.2 Usage of caravan park by members of the Caravan Club of Southern Africa and Pensioners (Caravan or tent campsites)</b>	R243.32	R257.92
a) For a CSA member, when presenting his / b) her membership card when reserving c) a campsite, per night.		
b) Group reservations arranged by CSA, per caravan site, per night	R219.82	R233.01
c) Pensioners, presenting their pension card when making a reservation, per caravan site, per night	R212.90	R225.68
<b>5.3 TENT CAMPING SITES</b>		
Tent camping site per site per night (12m x 12m in size) Only 6 persons per tent is allowed	R306.64	R325.04
<b>5.4 RONDAVELS</b>		
a) Per 2 bed rondavel per 24 hour period or part thereof	R679.61	R720.38
b) Per 4 bed rondavel per 24 hour period or part thereof	R775.66	R822.19
c) Per 6 bed rondavel per 24 hour or part thereof	R1,162.80	R1,232.57
d) Cahlet visitors entrance fee per person	R33.49	R35.49
e) Reservation and breakage deposit per rondavel	R478.38	R507.08
f) An amount of R250-00 will be forfeited should a reservation not be cancelled 5 days in advance or a rondavel not be utilised, for whatever reason. Rondavels must be evacuated not later than 09:00 on the day of departure	R478.38	R507.08
f) Hiring of mattress Per mattress per night	R98.15	R104.03
g) One 2-bed rondavel for emergency accommodation for Council employees only, per month. (maximum 2 persons for maximum of 30 days)	R5,254.13	R5,569.38
<b>5.5 WASHING AND DRYING EQUIPMENT</b>		
Use of washing machine, per cycle	R60.80	R64.45
Use of tumble dryer, per cycle	R60.80	R64.45

<b>5.6 KUDU HOUSE</b> Can accommodate 20 people Reservation and breakage deposit Per 24 hour or part thereof: maximum of 6 persons thereafter per person per night	R967.85  R1,451.70 R178.07	R1,025.93  R1,538.80 R188.75
<b>5.7 DRIES ABRAHAMSE LAPA (09:00 - 24:00)</b>  Can accommodate 100 people Reservation and breakage deposit Lease tariff per day Vehicle inclusive and Fire wood exclusive	  R2,965.81 R1,292.78	  R3,143.75 R1,370.34
<b>5.8 LEASING OF COLD STORAGE FACILITIES</b>  Per carcass per day	  R138.25	  R146.54
<b>5.9 NIGHT DRIVES</b> a) Per person over the age of 18 b) Per person under the age of 18 accompanied by parents or legal guardian c) Presentation of nature lectures for private groups  d) Hiring of Game-viewing truck for 3 hours for 20 people  e) Hiring of game viewing truck for 2 hours for a couple  f) Presentation of one-day nature courses per person Per person	 R228.12 R98.15  R493.50  R1,140.69  R558.09  R338.73	 R241.81 R104.03  R523.11  R1,209.13  R591.58  R359.06
<b>6. BIRD SANCTUARY</b>		
<b>6.1 ENTRANCE</b> Only vehicles occupied by the aged and disabled persons may be permitted entrance:		
a) per vehicle	R49.97	R52.97
b) Persons entering the facility per foot; per adult	R34.56	R36.63
c) Per child under the age of 18 years	R27.74	R29.40
d) School bus trips – per school bus visit	R279.05	R295.79
<b>6.2</b> Season ticket to NPO's, NGO's and Educational Institutions within the Polokwane Municipal boundaries, may purchase a season ticket, to gain access to the bird sanctuary valid for 12 months from the 1 <sup>st</sup> of July to 30 <sup>th</sup> June the following year. This allows for 10 registered members free access without paying per individual or vehicle entrance fees. Cost of a season ticket per 10 members	     R3,348.54	     R3,549.45
Months from the 1 <sup>st</sup> of July to		
<b>LEASING OF THE LAPAS</b>		
<b>6.3 BARN OWL LAPA (NONNETJIES-UIL LAPA) (07:00 - 19:00)</b>  Can accommodate 50 persons Deposit Lease tariff per day	  R988.60 R584.76	  R1,047.91 R619.85
<b>6.4 FISH EAGLE LAPA (VISAREND LAPA) (09:00 - 24:00)</b>  Can accommodate 150 persons Deposit Lease tariff per day	  R2,904.96 R1,444.86	  R3,079.26 R1,531.56
<b>6.5 GENERAL</b>		
a) Selling of game/ trophy and carcass	R62.21 per kg	R65.94 per kg
b) Lease of tractor-drawn scraper (own transport and excluding the tractor)	R547.50 per day	R580.35 per day

**ANIMAL POUND TARIFFS**

These tariffs are prescribed in terms of Section 3(a) of Limpopo Pounds Act of 2002.

<b>5.9 ENVIRONMENTAL EDUCATIONAL CENTRE LAPA (EEC LAPA)</b> (09:00 - 24:00) Can accommodate 30 persons Deposit Lease tariff per day	R1,284.27 R583.75	R1,361.33 R618.78
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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: 2024/2025**

**FIRE SERVICES**

Tariffs for Courses

	1.Course	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
Fire Fighter 1		R9,691.11	R10,272.58
Fire Fighter 2		R4,844.86	R5,135.55
Hazmat Awareness		R1,046.68	R1,109.48
Hazmat Operations		R1,638.75	R1,737.07
Dangerous goods transportation		R1,046.68	R1,109.48
First Aid level 1		R1,342.56	R1,423.12
First Aid level 2		R1,342.56	R1,423.12
First Aid level 3		R1,641.22	R1,739.69
Extinguisher course		R457.66	R485.11
Elementary course		R1,342.56	R1,423.12
Fire Service Instructor 1		R5,537.56	R5,869.81
Vehicle Extrication		R3,691.70	R3,913.21
Breathing Apparatus Operator		R984.44	R1,043.51
High Angle Rope Rescue		R3,691.68	R3,913.18
Confined Space Rescue		R3,691.70	R3,913.21
Structural Collapse 1 & 2		R13,426.53	R14,232.12
Swift Water Rescue		R6,654.89	R7,054.19
Trench Rescue 1 & 2		R7,939.17	R8,415.52
Fire Officer 1		R3,852.84	R4,084.01
Driver/Pump Operator		R5,253.86	R5,569.09
Driver/ Aerial Operator		R5,253.86	R5,569.09
Hazmat Technician		R9,923.95	R10,519.39
Fire Instructor 2		R5,595.93	R5,931.69
Accommodation			

Tariffs for Delivery of Fire, Rescue and Special Services Rendered

Service		
<b>2</b>	<b>Call out fees:</b>	
Hydraulic Platform	R459.04	R486.59
Heavy Duty Pump	R300.03	R318.03
Medium Duty Pump	R246.11	R260.88
Light Duty Pump	R192.19	R203.72
Rescue Tender	R254.40	R269.66
Water Tender	R214.31	R227.17
Service Vehicle	R233.67	R247.69
Mobile Control Unit	R300.03	R318.03
<b>3</b>	<b>Service fees per hour or part thereof:</b>	
Hydraulic Platform	R300.03	R318.03
Heavy Duty Pump	R233.67	R247.69
Medium Duty Pump	R179.73	R190.52
Light Duty Pump	R147.93	R156.81
Rescue Tender	R181.11	R191.98
Water Tender	R214.31	R227.17
Service Vehicle	R95.39	R101.11
Mobile Control Unit	R279.29	R296.05
Officer	R333.21	R353.20
Fire Fighter	R167.30	R177.34
<b>4</b>	<b>Travelling</b>	
Within Municipal boundaries	R13.82	R14.65
Outside Municipal boundaries	R20.71	R21.96

<b>DESCRIPTION OF SERVICE</b>		
<b>FLAMMABLE SUBSTANCES AND DANGEROUS GOODS- ANNUAL REGISTRATION</b>		
<b>5. Tariffs for Flammable Liquid Registrations</b>	<b>Approved tariff from 1/07/2023</b>	<b>Proposed tariff from 1/07/2024</b>
<b>5.1. Group 1</b>		
Explosives	R334.85	R354.95
<b>6. Group II Gases</b>		
<b>6.1. Bulk Liquefied Petroleum Gas (Class 0)</b>	R1,085.36	R1,150.48
0-50 Kiloliter	R684.17	R725.22
51- 100 Kiloliter	R917.66	R972.72
101-150 Kiloliter	R1,151.17	R1,220.24
151-and above	R1,384.68	R1,467.76
Other flammable gases exceed 50 kg	R334.85	R354.95
Non-Flammable gases exceed 333 kg	R334.85	R354.95
Toxic gases	R334.85	R354.95
<b>The storage, handling, and use</b>		
<b>6.2. Liquefied Petroleum Gas (Class 0)</b>		
42 - 1000 Liters	R353.21	R374.41
1 001 - 2 500	R441.06	R467.52
2 501 - 25 000	R464.57	R492.44
25 001 and above	R677.50	R718.15
<b>7. Group III</b>		
<b>7.1. Bulk flammable liquids storage</b>	R1,037.62	R1,099.88
200-800 Kiloliter	R654.08	R693.33
801-1400 Kiloliter	R877.32	R929.96
1401-2400 Kiloliter	R1,100.56	R1,166.59
2401- and above	R1,323.79	R1,403.22
<b>The storage, handling and use</b>		
<b>7.2. Flammable Liquids (Class 1, 2 and 3)</b>		
40 - 1000 Liters	R337.68	R357.95
1 001 - 2 500	R421.67	R446.97
2 501 - 25 000	R444.14	R470.79
25 001 and above	R647.71	R686.58
<b>8. Group VI Flammable Solids</b>		
Flammable Solid	R334.85	R354.95
Pyrophoric substances	R334.85	R354.95
Water-reactive substance	R334.85	R354.95
<b>9. Group V Oxidizing and organic peroxides</b>	R334.85	R354.95
Oxidizing agents	R334.85	R354.95
Group I organic exceed 200 kg	R334.85	R354.95
Group II organic exceed 200 kg	R334.85	R354.95
<b>10. Group VI Toxic /Infective substances</b>	R334.85	R354.95
Group I toxic substances in packets exceed 5kg	R334.85	R354.95

Group II toxic substances in packets exceed 50kg	R334.85	R354.95
Group III toxic substances in packets exceed 500kg	R334.85	R354.95
<b>11. Group VII Radioactive materials</b>		
<b>12. Group VIII Corrosive / Caustic Substances</b>		
Group I acids in packets exceed 50 kg	R334.85	R354.95
Group II acids in packets exceed 200 kg	R334.85	R354.95
Group III acids in packets exceed 1000 kg	R334.85	R354.95
Group I alkaline substances in packets exceed 50 kg	R334.85	R354.95
Group II alkaline substances in packets exceed 200 kg	R334.85	R354.95
Group III alkaline substances in packets exceed 1000 kg	R334.85	R354.95
<b>13. Group IX Miscellaneous substances</b>	R334.85	R354.95
Liquids exceed 210 liters	R334.85	R354.95
Solids exceed 210 kg	R334.85	R354.95
<b>14. Spray Booth / Rooms registrations</b>		
a. For each subsequent Spray Booth / Spray room at an additional cost	R111.62	R118.32
<b>15.</b> Restoration of lapsed registration certificate-fee for each year that registration certificate was not renewed, plus current registration fees.	R334.85	R354.95
<b>16.</b> Temporary storage certificate of registration for flammable liquids or Gases	R334.85	R354.95
Restoration of lapsed temporary registration certificate-fee for each period that registration certificate was not renewed, plus current registration fees.	R167.43	R177.47
<b>Annexure VII of the By-Law</b>		
<b>Exemptions for Certificate of Registration</b>		
<b>17. Inspection of Vehicle and issuing of transport Permits (Dangerous Goods)</b>		
a. Flammable Liquids and Gasses		
0-1500 liters	R558.09	R591.58
1501-3499 liters	R669.71	R709.89
3500-9999 liters	R781.33	R828.21
10000- liters and above	R892.94	R946.52
b. Hazardous Substances		
0-1000 kilogram	R558.09	R591.58
1001-3500 kilogram	R669.71	R709.89
3501-10000 kilogram	R781.33	R828.21
10001 and above	R892.94	R946.52
Restoration of lapsed transport permit-fee for each year that transport permit were not renewed, plus current fees.	R334.85	R354.95
<b>18. Annexure VI of the By-Law</b>		
<b>Exemptions for transporting Permit</b>		
<b>19. Charges for inspection (rate per hour or part thereof)</b>		
<b>19.1.</b> General routine Fire Safety inspection requested.	R279.05	R295.79
<b>19.2.</b> Certificate of compliance for all public Buildings A-type occupancy for a period of not exceeding one (1) calendar year.	R334.85	R354.95
<b>19.3.</b> Certificate of compliance for all public Buildings B, C, D, E, F, G, H, -type occupancy for a period of not exceeding one (1) calendar year.	R334.85	R354.95
<b>19.4.</b> Fireworks Display or Storage	R558.09	R591.58
<b>19.5.</b> Warehousing/storage of dangerous goods internal or external.	R279.05	R295.79
<b>19.6.</b> Flammable substances inspection.	R279.05	R295.79
<b>19.7.</b> Fire Report.	R279.05	R295.79
<b>19.8.</b> Re-inspection fee.	R279.05	R295.79
<b>19.9.</b> Certificate of compliance of temporary buildings or structures for a maximum of two inspections		
<b>Public attendance</b>		
1-2000	R558.09	R591.58
2001-5000	R669.71	R709.89
5001-10000	R781.33	R828.21
10001-30000	R892.94	R946.52
30001 and above	R1,004.56	R1,064.84

<p><b>19. EXEMPTION FROM PAYMENTS OF CHARGES</b>  No charges shall be payable where –</p> <p>(1) A false alarm has been given in good faith;</p> <p>(2) The services were required as a result of civil commotion, riot or natural disaster;</p> <p>(3) The services were rendered in the interest of public safety;</p> <p>(4) The Chief Fire Officer is of the opinion that the services were of purely humanitarian nature or were rendered solely for saving life.</p>		
<p><b>Fines as indicated below in Annexure VIII of the Fire Emergency By Law</b>, 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.</p>		

**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 fire hazard and/or Failure to store combustible, flammable or explosive material in a manner prescribed by the Chief Fire Officer.	R2,500.00	R5,000.00	Court
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 to reapply for registration and submission of plans for	R2,500.00	R5,000.00	Court
37.3	Failing to ensure that the fireworks license in terms of the Explosives Act and a written authority of the Fire Department is in	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	R5,000.00	R5,000.00	Court
38.4	Failing to meet the requirements/obtain permission for firework displays.	R5,000.00	R5,000.00	Court
38.5	Lights or ignites fireworks on any day or time unless authorized in terms of section 38.4.	R2,500.00	R2,500.00	Court
38.6	Lights or ignites fireworks at a place where animals are present.	R2,500.00	R500.00	Court
39.1, 39.2 and 39.3	Failing to comply with requirements when handling or storage of dangerous goods Group II in portable containers.	R2,500.00	R2,500.00	Court
39.4	Failing to comply with requirements when handling or storage of dangerous goods Group II in a bulk depot.	R5,000.00	R2,000.00	Court
39.5, 39.6, 39.7 and 39.8	Failing to adhere to the requirements determined by the Chief Fire Officer for the use, handling and storage of Group II cylinders at manifold installations, use of hydrogen gas, welding or underground pipelines.	R2,500.00	R2,500.00	Court



39.1	Failing to report fires, accident and/or dumping involving a Group II dangerous good to the	R2,500.00	R500.00	Court
<b>Chief Fire Officer.</b>				
40	Failing to comply with the requirements under SANS 1535 as to tank manufacture and installation for Group III dangerous goods	R5,000.00	R2,000.00	Court
41.1 and 41.2	Failing to comply with the requirements for storage tanks for Group III dangerous goods.	R2,500.00	R2,500.00	Court
42.1	Failing to comply with the requirements to obtain a permit for the transportation of dangerous goods.	R2,500.00	R5,000.00	Court
42.1(e)	Failing to have the transport permit of dangerous goods available in the vehicle.	R2,500.00	R2,500.00	Court
42.2	Failing to comply with the requirements of the transport permit.	R2,500.00	R2,500.00	Court
42.4	Altering or attempting to alter a transport permit.	R2,500.00	R2,500.00	Court
43.1	Failing to indicate a dangerous goods store room as such and indicating the Group and quantity of the dangerous good.	R1,500.00	R2,500.00	Court
43.2	Failing to comply with the requirements for symbolic safety signs for dangerous goods storeroom.	R2,500.00	R2,500.00	Court
43.3	Failing to display the registration certificate of the dangerous goods.	R1,000.00	R2,500.00	Court
43.4	Failing to comply with the requirements for the construction of a dangerous goods store room.	R2,500.00	R2,500.00	Court
43.5	Failing to comply with the requirements for store room doors.	R2,500.00	R2,500.00	Court
43.6	Failing to comply with the requirements for storeroom windows.	R2,500.00	R2,500.00	Court
43.7	Failing to comply with the requirements for store room catchment pit.	R2,500.00	R2,500.00	Court
43.8, 43.9 and 43.10	Failing to comply with the requirements for ventilation of store room.	R2,500.00	R2,500.00	Court
43.11 & 43.12	Failing to comply with the requirements for electrical equipment in a store room.	R2,500.00	R2,500.00	Court
43.14	Failing to comply with the requirements to use and enter a store room.	R2,500.00	R2,500.00	Court
43.14 (e)	Failing to comply with the requirements for use of intrinsically safe hand tools in a flammable substance storeroom.	R2,500.00	R2,500.00	Court
45.1	Failing to comply with the requirements to register and have a spray permit for spray painting with dangerous goods.	R2,500.00	R5,000.00	Court
45.2	Failing to comply with the general prohibition regarding spraying room.	R2,500.00	R2,500.00	Court
45.3	Failing to comply with the requirements and conditions of the spray permit.	R2,500.00	R2,500.00	Court
46.1-46.21	Failing to comply with the requirements for the construction and design of spray painting rooms.	R2,500.00	R2,500.00	Court
47	Failing to comply with the requirements for the handling of animals during emergencies.	R2,500.00	R2,500.00	Court

#### EXEMPTION FROM TRANSPORT PERMIT

A transport permit is in terms of section 42 not required for the transport of dangerous goods of the type and not exceeding the quantity stipulated below.

GROUP	DESCRIPTION	QUANTITY
<b>II</b>	<b>GASES</b>	
Flammable gases	Total cylinder capacity may not exceed 50 kilograms	
Non-flammable gases	Total cylinder capacity may not exceed 333 kilograms	
<b>III</b>	<b>FLAMMABLE LIQUIDS</b>	
With flash points < 18°C	Total quantity may not exceed 100	
With flash points > 18°C but < 23°C	Total quantity may not exceed 420	
With flash points > 23°C but < 61°C	Total quantity may not exceed 1100	
With flash points > 61°C but < 100°C	Total quantity may not exceed 1100	

<b>IV</b>	<b>FLAMMABLE SOLIDS</b>
Flammable solids	Total quantity may not exceed 250 kg
<b>V</b>	<b>OXIDIZING AGENTS AND ORGANIC PEROXIDES</b>
Oxidizing agents	Total quantity may not exceed 200 kg
Group II organic peroxides in packets	Total quantity may not exceed 200 kg
<b>VI</b>	<b>TOXIC/INFECTIVE SUBSTANCES</b>
Group I toxic substances in packets	Total quantity may not exceed 5 kg
Group II toxic substances in packets	Total quantity may not exceed 50 kg
Group III toxic substances in packets	Total quantity may not exceed 500 kg
<b>VIII</b>	<b>CORROSIVE/CAUSTIC SUBSTANCES</b>
Group I acids in packets	Total quantity may not exceed 50 kg
Group II acids in packets	Total quantity may not exceed 200 kg
Group III acids in packets	Total quantity may not exceed 1000
Group I alkaline substances in packets	Total quantity may not exceed 50 kg
Group II alkaline substances in packets	Total quantity may not exceed 200 kg
Group III alkaline substances in packets	Total quantity may not exceed 1000
<b>IX</b>	<b>MISCELLANEOUS SUBSTANCES</b>
Liquids	Total quantity may not exceed 210
Solids	Total quantity may not exceed 210 kg

#### **ANNEXURE VII**

#### **EXEMPTION FROM CERTIFICATE OF REGISTRATION**

A certificate of registration is in terms of section 24 not required if the flammable substances concerned are of a type and do not exceed the quantity stipulated below.

<b>GASES</b>	
Class 0	Liquefied petroleum gas
	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 m <sup>3</sup> .
<b>FLAMMABLE LIQUIDS AND COMBUSTIBLE LIQUIDS</b>	
Class I	Liquids that have a closed cap flash point of below 38°C
	Total maximum of 40 litres
Class II	Liquids that have a closed cap flash point of 38°C or above, but below 60.5°C
	Total quantity of Class II and Class IIIA together may not exceed the maximum quantity of 210 litres
Class IIIA	Liquids that have a close-cap flash point of 60.5°C or above but below 93°C

#### **TARIFFS PAYABLE I.R.O. TRAFFIC & LICENSING FEES, TRAFFIC ESCORT SERVICES, MOTOR AND ANIMAL POUND FEES AND OTHER GENERAL CHARGES: 2024/2025**

#### **TRAFFIC FINES AND LICENCES**

1. <b>PARKING FEES</b>	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
<b>Off-site parking VAT inclusive</b>		
<b>0-15 Minutes</b>	<b>Free parking</b>	<b>Free parking</b>
15 Minutes – hour	R8.00	R8.00
1-2 hours	R15.00	R15.00
2-3 hours	R23.00	R23.00
3-4 hours	R30.00	R30.00
> 4 hours	R60.00	R60.00
<b>Any other parking square except City square</b>		
0 – 1 hour	R8.00	R8.00
1-2 hours	R15.00	R15.00
2-3 hours	R23.00	R23.00

3-4 hours	R30.00	R30.00
> 4 hours	R60.00	R60.00
Lost parking ticket at all parking squares	R60.00	R60.00
Bus daily drop and pickup	R75.00	R75.00
Monthly tariff for Busses and any other vehicle	R435.00	R435.00
<b>ONSTREET PARKING – VAT INCLUSIVE</b>		
Per hour up to a maximum of 9 hours. Parking in excess of 9 hours will be clamped.	R8.00	R8.00
Other penalties may be imposed in terms of the National Road Traffic Act 93 of 1996.		
<b>2. License Fees</b>		
The tariffs includes but are not limited to: <input type="checkbox"/> Traffic fines <input type="checkbox"/> Duplicate public motor vehicle clearance receipt <input type="checkbox"/> Duplicate public motor vehicle clearance certificate (disc) <input type="checkbox"/> Furnishing of information <input type="checkbox"/> Instructor Certificates <input type="checkbox"/> Application and issue of driver's license <input type="checkbox"/> Application and issue of roadworthy Certificates	Tariffs will remain as determined by the Provincial Dept. of Transport, Road Safety and Liaison (e-NATIS) and the Judiciary.	
<b>3 Traffic Escort Services</b>		
Funerals	R735.56	R779.69
(Deposit) Sporting Activities	R1,706.63	R1,809.03
Sporting Activities	R15,565.12	R16,499.03
	+ R563.67 per hour	+ R597.49 per hour
Abnormal Load	R735.56	R779.69
Any other event	R1,470.01	R1,558.21
<b>4 Motor vehicle pound fees</b>		

The following tariffs will be applicable after impoundment of a vehicle and proof of ownership shall be required before releasing the vehicle from the pound.

<b>4.1 Pounding fees</b>		
For the first 8 hours per vehicle:	Free of charge	Free of charge
For the next 16 hours up to 24hours: Release fee per vehicle.	Release fee R468.80	Release fee R496.92
The first 24hours if free. No storage fee will be charged.		
For every hour after 24 hours: Release fee per vehicle		
Light motor vehicle	R27.91	R29.58
Light delivery vehicle	R55.81	R59.16
Minibus	R133.94	R141.98
Midibus	R178.59	R189.30
Bus	R256.72	R272.12
Bus train	R379.50	R402.27
Truck	R334.85	R354.95
Half truck	R279.05	R295.79
	<b>Per day:</b>	<b>Per day:</b>
Vehicles 3500kg << per day	R113.85	R120.69
Vehicles 3500kg >> 16000kg per day	R137.29	R145.53
Vehicles 16001kg >> per day	R189.75	R201.14
<b>5 Animal pound fees</b>		
<b>5.1 Pound fees</b>		
Bovine animals		
Large stock per head per day	R134.10	R142.15
Small stock per head per day	R84.32	R89.38
<b>5.2 Tending fees</b>		
Large stock per head per day	R55.29	R58.61
Small stock per head per day	R26.25	R27.82
<b>5.3 Fees for dipping, dressing and treating</b>		
Large stock per head per day		
Dipping or spraying	R16.58	R17.57
Dressing	R11.03	R11.70
Inoculating	R16.58	R17.57

	Medicine	Actual cost plus 20%	Actual cost plus 20%
	<b>Small stock per head per day</b>		
	Dipping or spraying	R12.26	R13.00
	Dressing	R9.67	R10.25
	Inoculating	R9.67	R10.25
	Medicine	Actual Cost plus 20%	Actual Cost plus 20%
	<b>5.4 Trespass fees</b>		
	<b>Large stock per head per day</b>		
	On fenced land	R77.42	R82.07
	On unfenced land	R55.29	R58.61
	On grazing land	R125.80	R133.35
	<b>Small stock per head per day</b>		
	On fenced land	R55.34	R58.66
	On unfenced land	R77.42	R82.07
	On grazing land	R77.42	R82.07
	<b>5.5 Transport fee</b>		
	Will be determined by the distance the animal (s) shall be transported up to its destination.	Distance x AA Rate	Distance x AA Rate
	<b>6 Advertisement fees</b>		
	Posters: per poster per day		
	Banners: per banner per 21 days		
	Pamphlets per 1000		
	Trailers: per trailer per month	R513.44	R544.25
	<b>7 General Charges</b>		
	Accident reports: per reports		
	Rent R		
	Rent of Auditorium per day		
	Law enforcement training per person per course		
	Weighbrige for motor vehicles		
	Estate agents: per agent per month		
	<b>8 Towing fees All Vehicles</b>		
	Light Vehicles up to 3500kg	R1,294.77	R1,372.45
	Vehicles from 3501kg up to 5000kg	R1,521.35	R1,612.64
	Vehicles 5001kg and above	Contractor price+ 10%Admin fee payable to the municipality	Contractor price+ 10%Admin fee payable to the municipality

#### **TARIFFS PAYABLE I.R.O. ROADS & STORM WATER**

<b>1 Way Leave</b>			
	Application fee	R16,928.00	R17,943.68
	Supervision & Management fee per month	R24,182.86	R25,633.83
	Travelling cost per month	R8,060.94	R8,544.60
	Consumables per month	R4,135.54	R4,383.67
<b>2 Loading Bay</b>			
	Non refundable application fee	R4,836.56	R5,126.75
	Monthly rental	R241.96	R256.47
<b>3 Temporary road closure</b>			
<b>3.1 Refundable deposit payable</b>			
	Gravel rural	R152.61	R161.76
	Surfaced	R152.61	R161.76
	Rural Gravel	R152.61	R161.76
	urban	R152.61	R161.76
<b>3.2 Cost per request</b>			
	Gravel rurla	R564.11	R597.96
	Surfaced	R1,207.28	R1,279.71
	Rural gravel	R806.08	R854.44
	Urban	R1,450.40	R1,537.42
	Surfaced urban		
<b>4 Damage of Infrastructure</b>		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: 2024/2025**

**CULTURAL SERVICES**

**DANIE HOUGH CULTURE CENTRE FACILITIES**

**AUDITORIUM**

Services Rendered	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
Rent – Standard Day Tariff		
Monday – Thursday	R2,212.26	R2,345.00
Friday	R2,958.89	R3,136.43
Saturday	R2,958.89	R3,136.43
Deposit	R1,219.51	R1,292.68

**AUDIO – VISUAL EQUIPMENT**

Data Projector	R1,548.58	R1,641.49
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**KITCHEN/ FOYER FOR CATERING**

Rent – Standard Day Tariff		
Monday – Saturday	R829.59	R879.36
Deposit	R483.92	R512.96

**FOYER FOR EXHIBITIONS**

Rent – Standard Day Tariff		
Monday – Saturday	R829.59	R879.36
Deposit	R483.71	R512.73

**ALL ACTIVITIES ROOMS**

Rent – Standard Day Tariff		
Monday – Saturday	R829.59	R879.36
Deposit	R483.69	R512.71

**BAKONE MALAPA CONFERENCE AND 'BOMA' FACILITIES**

Rent		
Monday – Thursday per day during office hrs (8:00 – 16:30)	R636.02	R674.18
Friday – Sunday and after 16:30 weekdays	R871.08	R923.34
In addition to the tariffs above which is for the rental of the facility, an amount of R12 per person is payable	R17.85 Per person	R18.92 Per person

**BAKONE MALAPA ENTRANCE FEES**

Adults (Entrance for Braai/events per person)	R17.06	R18.08
Children (not Booked)	R11.05	R11.71
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	R13.81	R14.64

advance for a group visit: Adult.		
Tariffs for schools or individuals who has made a booking in advance for a group visit: Children	R9.67	R10.25

## LIBRARY FEES

<b>1</b>	<b>MEMBERSHIP FEES</b>		
<b>1.1</b>	<b>Deposit</b>		
	For any person/family without a current Municipal account at the Polokwane Municipality.	221.4976	234.787456
<b>1.2</b>	<b>Membership fees</b>		
	Per adult, per year	R110.75	R117.39
	Per child, per year	R55.36	R58.69
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.		
<b>2</b>	<b>USER FEES (payable in advance)</b>		
(i)	Inter-library loan, per book request	R92.28	R97.82
	Inter-library loan, photocopies as per SAIS fees (per 15 pages)	R79.99	R84.79
(ii)	Special request, per request	R16.60	R17.60
(iii)	Compact discs, per loan	R11.07	R11.73
(iv)	Photocopies A4, each Inc. Printouts (database/internet),	R1.22	R1.29
	Photocopies A3, each	R3.07	R3.26
	Colour (when available)	R9.22	R9.78
<b>3</b>	<b>FINES</b>		
(i)	Per overdue book, per week or part thereof	R8.60	R9.11
(ii)	Per overdue record/compact disc/art print/video per week or part thereof	R11.07	R11.73
(iii)	Loss of plastic cover, per cover	R20.90	R22.16
(iv)	Reference/Study Collection, per item, per day	R8.60	R9.11
(v)	Replacement of membership card	R36.91	R39.12
<b>4</b>	<b>ADMINISTRATION COSTS REGARDING THE RECOVERY OF OVERDUE/LOST/DAMAGED LIBRARY MATERIAL</b>		
(i)	Reminder (Letter/e-mail/SMS)	R11.07	R11.73
(ii)	Registered letter	R49.22	R52.17
(iii)	Placement on Municipal service account	R96.71	R102.52
(iv)	Further action: (ii) and (iii) plus real expenses incurred		
<b>6</b>	<b>LOST/DAMAGED BOOKS/ OTHER LIBRARY MATERIAL</b>		
(i)	Replace at current publisher/trade price		
(ii)	If publishers prices are not obtainable e.g. book out of print, replace at average replacement value for applicable category as per Table 1:		
<b>Table 1 – Average replacement value of books per category</b>			
<b>Category</b>			
	Vernacular	R150.70	R159.74
	Afrikaans Fiction	R239.19	R253.54
	English Fiction	R463.18	R490.97
	Non Fiction	R564.12	R597.97
	Study Collection	R882.12	R935.05
	Reference	R1,005.20	R1,065.51
	Junior Non Fiction	R214.31	R227.17
	Junior Fiction	R214.31	R227.17
	Toddlers' Books	R189.41	R200.78
	Compact Discs/DVD	R377.46	R400.10
	Audio books	R755.04	R800.34
	CD-Rom	R302.80	R320.97
	Videos	R250.23	R265.25
	Newspapers & periodicals	Publishers price plus R15.18 admin cost	Publishers price plus R16.09 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 and learning.	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 and learning.
Printing: A4 black & white	R1.16	R1.22
A4 colour	R10.50	R11.13

**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: 2024/2025**

The determined tariffs are as follows:

**PLANNING AND ECONOMIC DEVELOPMENT**

Type of fee	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
<b>Application for consent of Local Authority:</b>		
<b>Polokwane/Perskebult Town Planning Scheme, 2016 (read together with the provisions of Section 73 of the Polokwane Municipal Planning By-Law, 2017)</b>		
<b>(a) Written consent i.t.o. -</b>		
(i) Clause 33.1(a) & (b)	R1,916.37	R2,031.36
(ii) Clauses 33.1(a) (Household Enterprise)	R1,916.37	R2,031.36
(iii) Clause 33.1(a) (Spaza/kiosk)	R1,915.20	R2,030.11
(iv) Clause 33.1(c); 33.1(d) and 33.1(g)	R1,915.20	R2,030.11
(v) Clauses 33.1(e); 33.1(f); 33.1(h – m)	R1,242.81	R1,317.38
<b>(b) Special consent i.t.o. -</b>		
(i) Clause 32.1(a) for Tavern and Household Enterprise.	R1,916.37	R2,031.36
(ii) Clause 32.1(a) for all other uses excluded uses mentioned in (a) above.	R2,904.97	R3,079.27
(iii) Clause 32.1(b)(c)	R1,916.37	R2,031.36
<b>Application for consent of Local Authority: Mankweng/Sebayeng and Rural Remainder areas Land-Use Management Scheme, 2017 (read together with the provisions of Section 73 of the Polokwane Municipal Planning By-Law, 2017)</b>		
<b>(a) Written consent i.t.o. -</b>		
(i) Clause 22.1.1	R1,916.37	R2,031.36
(ii) Clauses 22.1.2 (Household Enterprise)	R1,916.37	R2,031.36
(iii) Clause 22.1.3 (Spaza/kiosk)	R1,916.37	R2,031.36
(iv) Clause 22.1.4; 22.1.5 and 22.1.8	R1,916.37	R2,031.36
(v) Clauses 22.1.6, 22.1.7, 22.1.9	R1,241.62	R1,316.12
<b>(b) Special consent i.t.o. -</b>		
(i) Clause 21.1.1	R1,916.37	R2,031.36
(ii) Clause 21.1.1 (for Telecommunication Mast)	R2,904.97	R3,079.27
(iii) Clause 21.1.2	R1,916.37	R2,031.36
<b>2. Application for amendment of Town Planning Scheme [Sec 56(1)], which include any *application i.t.o. any other law where the scheme is/can be ultimately amended. (See note) (read together with the provisions of Section 61 of the Polokwane Municipal Planning By-Law, 2017)</b>	R6,018.74	R6,379.87
<b>3. Application for establishment of township [Sec 96(1)], which include any *application i.t.o. any other law where the scheme is/can be ultimately amended. (See note) (read together with the provisions of Section 54 of the Polokwane Municipal Planning By-Law, 2017)</b>	R13,037.15 plus R132.71 per 100 erven (rounded off to the nearest 100)	R13,819.38 plus R140.67 per 100 erven (rounded off to the nearest 100)
<b>4. Application for extension of boundaries of approved</b>	R5,823.79	R6,173.22

township [Sec 88(1)] (read together with the provisions of Section 54 of the Polokwane Municipal Planning By-Law, 2017)	plus R132.71 per 100 Ervin (Rounded off to the nearest 100)	plus R140.67 per 100 Ervin (Rounded off to the nearest 100)
<b>5. Application for subdivision and/or consolidation: (read together with the provisions of Section 67 of the Polokwane Municipal Planning By-Law, 2017)</b>		
(a) (i) Subdivision of erf into 5 or lesser portions [Sec 92(1)(a)]	R1,298.31	R1,376.21
(ii) Subdivision of erf in more than 5 portions [Sec 92(1)(b)]	R1,231.80 Plus R107.83	R1,305.71 Plus R114.30
(b) Consolidation of erven [Sec 92(1)(b)]	R902.88	R957.05
(c) Division of a Township (read together with the provisions of Section 55 of the Polokwane Municipal Planning By-Law, 2017)	R1,298.31	R1,376.21
(d) Exemption of subdivision or consolidation (read together with the provisions of Section 70 of the Polokwane Municipal Planning By-Law, 2017)	R615.28	R652.19
<b>6. Preparation of Town Planning Scheme by local authority i.r.o. establishment of township:</b>		
(i) by Local Authority [Sec 125(3)]	R3,708.29 plus R17.95 Erf for each Erf in the township	R3,930.79 plus R19.02 Erf for each Erf in the township
(ii) if applicant prepare document [Sec 125(3)]	None	None
<b>7. Application for Council's reasons [Sec 57(3) and with regard to applications as contemplated in Sec 96]</b>	R1,937.11	R2,053.33
The following fees shall be paid in addition to the fees prescribed in Part A hereof to:		
(a) If the Local Authority gives notice of an application in:		
(i) the Provincial Gazette	R2,781.12 Per notice	R2,947.99 Per notice
(ii) a news paper	R5,169.78 Per notice	R5,479.97 Per notice
(b) If the Local Authority or a committee of the Local Authority inspects the property to which an applicant relates and conducts a hearing		The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in this regard.
<b>A. Fees other than advertising and inspection fees</b>		
1. Application for division [Sec 6(1)]:		
(a) in 5 of lesser portions	R696.83	R738.64
(b) in more than 5 portions	R696.83 R30.39 per portion	R738.64 R32.21 per portion
<b>B. Advertising and Inspection fees</b>		
2. Application for reasons.	R622.19	R659.52
The following fees shall be paid in addition to the fees prescribed in Part A hereof to:		
(a) If the Local Authority gives notice of an application in:		
(i) the Provincial Gazette	R2,645.60 Per notice	R2,804.34 Per notice
(ii) a newspaper	R5,169.78 Per notice	R5,479.97 Per notice
(b) If the Local Authority or a committee of the Local Authority inspects the property to which an applicant relates and conducts a hearing:		The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in his regard.



**FEES PAYABLE WHERE THE MUNICIPALITY'S INPUT AND/OR COMMENTS ARE REQUIRED ON**

	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
1. Applications for change in land use, any consent or permit to be granted by any other controlling authority, any permission i.t.o. the Title Deed, any land development application for:		
1.1 Application for second dwelling unit where Title Deed permits such consent	R1,916.36	R2,031.35
1.2 Application for any household enterprise conducted from dwelling unit similar to "Household Enterprise" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016.	R1,916.36	R2,031.35
1.3 Application for spaza or kiosk conducted similar to "Spaza" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016 and/or application for a shop restricted to 300m <sup>2</sup>	R4,987.27 up to a total building floor area of 300m <sup>2</sup> plus R259.92 for every additional 50m <sup>2</sup> or part thereof.	R5,286.50 up to a total building floor area of 300m <sup>2</sup> plus R275.52 for every additional 50m <sup>2</sup> or part thereof.
1.4 Application for tavern or kiosk conducted similar to "Tavern" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016.	R1,916.36	R2,031.35
1.5 Applications for guests' houses, overnight accommodation and/or any game lodge, hotel, conference facility, place of amusement, private club, restaurant, and recreation facility.	R1,916.36	R2,031.35
1.6 Applications for place of instruction, place of public worship (church), charitable institution, clinic.	R4,987.27 up to a total building floor area of 300m <sup>2</sup> plus R259.92 for every additional 50m <sup>2</sup> or part thereof.	R5,286.50 up to a total building floor area of 300m <sup>2</sup> plus R275.52 for every additional 50m <sup>2</sup> 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 300m <sup>2</sup> , service industries, filling station, public garage, offices, warehouse and commercial use, institution, medical consulting rooms & offices other than household enterprise, scrap yard, panel beating and industrial uses.	R4,987.27 up to a total building floor area of 300m <sup>2</sup> plus R259.92 for every additional 50m <sup>2</sup> or part thereof.	R5,286.50 up to a total building floor area of 300m <sup>2</sup> plus R275.52 for every additional 50m <sup>2</sup> or part thereof.
1.8 Subdivision of land to be granted by any other controlling authority other than the municipality, any permission i.t.o. the Title Deed, any land development application into the following portions:		
1.8.1 3 or lesser portions	R1,046.65	R1,109.45
1.8.2 More than 3 portions	R1,046.65 plus R30.39 per portion	R1,109.45 plus R32.21 per portion
2. Consolidation of land to be granted by any other controlling authority, any permission i.t.o. the Title Deed, any land development application	R223.54	R236.96

**MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING**

ADVERTISEMENT/APPLICATION TYPE.	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
Billboard including LED	For signs < 18m <sup>2</sup> R2,597.25 For signs > 18m <sup>2</sup> R2,597.25	For signs < 18m <sup>2</sup> R2,753.09 For signs > 18m <sup>2</sup> R2,753.09
Banners	50% of collected revenue as per signed SLA	

Posters	R209.64 Per Event	R222.21 Per Event
On premises business advertisement	R1,473.25	R1,561.65
Election poster	50% of collected revenue as per signed SLA	
Temporary Sign	R4,086.28	R4,331.46
Street name adverts	25% of collected revenue as per signed SLA	
Transit Advertising Sign	R3,046.32	R3,229.10

#### **MONIES AND DEPOSITS PAYABLE IN PROPERTY MANAGEMENT**

Consent Title Conditions	R255.77	R271.11
Application for land purchase	R171.43	R181.72
Lease agreement admin fee	R598.68	R634.60
Deed of sale fee	R598.68	R634.60
<b>R293 APPLICATIONS</b>		
Small Developments/Applications: Spaza, Tavern, Crèche, Day Care	R427.23	R452.87
Medium Developments/Applications: Place of Worship, Old Age Centre, Overnight Accommodation (Guest House/Lodge),	R854.49	R905.76
Big Developments/Applications: Filling Station, Shopping Complex, Office building, Institutional (New School or College), Business Related Uses	R6,018.71	R6,379.83
Other/ Special use:	R854.47	R905.73

The tariff outlined above does not include advertisement costs. The applicants will be responsible for advertising.

#### **GENERAL REPRODUCTION OF DOCUMENTATION AND MAPS AND PROVISION OF INFORMATION I.R.O. TOWN PLANNING MATTERS.**

1. Zoning certificates per certificate (including Zoning Confirmation letters);	R114.75	R121.63
2. Town Planning Scheme (clauses):		
2.1 Color copy	R580.70	R615.54
2.2 Black and white copy	R195.38	R207.10
3. Map 3's of sheets from the town planning scheme (scheme maps) or scheme clauses from Amendment Scheme:		
3.1 Per A0 sheet; 1: 2500 scale.	R195.38	R207.10
3.2 Single extract from scheme maps with regard to zoning on specific erf: Per A3 sheet or A4 sheet; smaller scale. (Also for purposes of zoning certificate)	R74.65	R79.12
3.3 Scheme clauses from Amendment Scheme or Annexure	R37.31	R39.55
4. Provision of erf measurements with map by GIS draught office	R37.31	R39.55
<b>Other Town Planning Tariffs</b>		
Removal of restrictive title deed conditions (read together with the provisions of Section 62 and Section 173 of the Polokwane Municipal Planning By-Law, 2017)	R6,028.25	R6,389.95
Amendment of approved conditions of Council	R2,091.96	R2,217.48
SDF(Hard Copy)	R871.06	R923.32
Relaxation of parking requirement (Clause 30)	R3,682.04	R3,902.96
Extension of timeframe for lodging documents SG/Deeds; to be calculated for each year of lapsing. (read together with the provisions of and Section 110 of the Polokwane Municipal Planning By-Law, 2017)	R1,915.98	R2,030.94
Park and Street Closure (read together with the provisions of Section 72 of the Polokwane Municipal Planning By-Law, 2017)	R2,904.97	R3,079.27
Amendment of Conditions of Establishment	R2,091.96	R2,217.48
Amendment of a General Plan of a Township (read together with the provisions of Section 64 of the Polokwane Municipal	R5,823.79	R6,173.22

<b>Planning By-Law, 2017)</b>		
Applications for Land use rights and PTO (read together with the provisions of Section 74 of the Polokwane Municipal Planning By-Law, 2017)	R193.56	R205.17
Regulation 38/Consolidation Certificate i.t.o. Ordinance 15 of 1986 (read together with the provisions of Section 68 of the Polokwane Municipal Planning By-Law, 2017 & Section 53 SPLUMA Letters)	R232.28	R246.21
Section 101 Certificate i.t.o. Ordinance 15 of 1986 (read together with the provisions of Section 57 of the Polokwane Municipal Planning By-Law, 2017)	R232.28	R246.21
Condemnation of incorrect Advertising	R1,742.13	R1,846.66
Deeds search	R95.38	R101.10
Temporary Consent	R1,110.28	R1,176.89
Land Development Application on Communal Land or Rural Areas – “Major Impact Development” (read together with the provisions of Section 74 (2) of the Polokwane Municipal Planning By-Law, 2017)	R6,018.71	R6,379.83
Phasing of established townships	R1,230.56	R1,304.40
Permanent Departure of the Town Planning Scheme (For e.g. relaxation of parking requirements) (read together with the provisions of Section 75 of the Polokwane Municipal Planning By-Law, 2017)	R1,845.85	R1,956.60
Reservation of a Township Name (read together with the provisions of Section 54(2)(d) of the Polokwane Municipal Planning By-Law, 2017)	R1,230.56	R1,304.40
Exemption to facilitate expedited procedures (read together with the provisions of Section 114 of the Polokwane Municipal Planning By-Law, 2017)	R3,691.70	R3,913.21
Fee for the lodgment of appeals (read together with the provisions of Chapter 8 of the Polokwane Municipal Planning	R2,461.13	R2,608.80
Penalty application fee for an application to formalize an existing illegal land use – can be imposed at any time before the finalization of the application. This is to be charged in addition to the normal application fee.	R2,461.13	R2,608.80

**CHARGES PAYABLE FOR CUSTOMISED AND STANDARD MAPS, LAND SURVEY ELECTRONIC DATA AND INTERNAL AND EXTERNAL CLIENTS.**

**PLANS (ZONING, LOCALITY, and INFRASTRUCTURE CONNECTIONS) ON PAPER**

<b>PLAN SIZE</b>	<b>Approved tariff from 1/07/2023</b>	<b>Proposed tariff from 1/07/2024</b>
A0		
Copies on paper R/copy	R171.43	R181.72
Copies on photo gloss R / copy	R290.34	R307.77
A1		
Copies on paper R/copy	R116.12	R123.09
Copies on photo gloss R / copy	R290.34	R307.77
A2		
Copies on paper R/copy	R78.79	R83.52
Copies on photo gloss R / copy	R136.81	R145.02
A3		
Copies on paper R/copy	R58.05	R61.53
Copies on photo gloss R / copy	R78.79	R83.52
A4		
Copies on paper R/copy	R37.31	R39.55
Copies on photo gloss R / copy	R60.80	R64.45
A0		
Colour copy R/copy	R454.88	R482.17
Monochrome copy R/copy	R232.27	R246.20
A1		
Colour copy R/copy	R320.76	R340.00
Monochrome copy R/copy	R174.20	R184.65
A2		
Colour copy R/copy	R154.84	R164.14
Monochrome copy R/copy	R109.21	R115.76
A3		
Colour copy R/copy	R87.09	R92.31
Monochrome copy R/copy	R66.36	R70.34

A4		
Colour copy R/copy	R66.36	R70.34
Monochrome copy R/copy	R49.76	R52.74
<b>DIGITAL DATA</b>		
<b>COST PER ERF (R)</b>		
DXF and Shape files or Jpeg, Bmp and tiff files		
Cost per feature	R1.29	R1.37
<b>DIGITAL AERIAL PHOTOGRAPHY (2008) AND CONTOURS</b>		
<b>AERIAL PHOTOS</b>		
Cost per CD	R34.56	R36.63
Cost per Title	R95.37	R101.09
Cost per complete set	R295.87	R313.62
<b>CONTOURS</b>		
Cost per CD	R290.33	R307.75
Cost per Title	R29.01	R30.75
Cost per complete set	R2,904.77	R3,079.06
<b>MAPBOOK ON CD/HARD COPY</b>		
Scale at 1:2500 & 1:5000-A3 sheet size when printed Cadastral data available: stand, township, farm and land Survey	R388.50	R411.81

**IDENTIFICATION OF STAND PEGS COST PER STAND:**

Indigents( Upon Verification on the indigent list)	R467.61 /Stand	R495.66 /Stand
Non Indigents ( R293 and RDP township) ( Cost/peg)	R1,076.74 /peg	R1,141.34 /peg
Non Indigents (Ordinance/DFA/SPLUMA townships) (Cost/peg)	R1,538.20 /peg	R1,630.49 /peg
<b>DEMARICATION OF SITES (Survey of Rural Townships)</b>		
Business sites (Cost/peg)	R615.29	R652.20
Residential sites : 1-50 (Cost/site)	R615.29	R652.20
Residential sites : 51-200 (Cost/site)	R430.69	R456.53
Residential sites : 201-400 (Cost/site)	R369.17	R391.32
Residential sites : 401-600 (Cost/site)	R307.64	R326.10
Residential sites : 601-800 (Cost/site)	R246.11	R260.88
Residential sites : 801- (Cost/site)	R184.58	R195.65

**MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING**

	<b>Approved tariff from 1/07/2023</b>	<b>Proposed tariff from 1/07/2024</b>
A – D: "Billboards "including LED	For signs < 18m2 R2,734.91  For signs > 18m2 R2,734.91	For signs < 18m2 R2,899.00  For signs > 18m2 R2,899.00
A: Large posters & street furniture	For signs < 18m2 R2,734.91  For signs > 18m2 R2,734.91	For signs < 18m2 R2,899.00  For signs > 18m2 R2,899.00
B: Banners & flags	50% of collected revenue as per signed SLA	50% of collected revenue as per signed SLA
C: Suburban ads.	For signs < 18m2 R2,734.91  For signs > 18m2 R2,734.91	For signs < 18m2 R2,899.00  For signs > 18m2 R2,899.00
D: Temporary ads.	R4,300.04	R4,558.04
E: Street name ads.	25% of collected revenue as per signed SLA	25% of collected revenue as per signed SLA
F: Neighbourhood watch etc.	For signs < 18m2	For signs < 18m2

		R399.85	R423.84
		For signs > 18m2 R2,734.91	For signs > 18m2 R2,899.00
G: Product replicas & 3-d signs.		For signs < 18m2 R2,734.91	For signs < 18m2 R2,899.00
		For signs > 18m2 R2,734.91	For signs > 18m2 R2,899.00
A – M			
Sky, roof, flat, protecting, verandah, canopy, window signs, Signs incorporated in building fabric, ads on business premises, towers, site boundaries etc.		For signs < 18m2 R2,734.91	For signs < 18m2 R2,899.00
		For signs > 18m2 R2,734.91	For signs > 18m2 R2,899.00
A: Sponsored road traffic projects		For signs < 18m2 R2,734.91	For signs < 18m2 R2,899.00
		For signs > 18m2 R2,734.91	For signs > 18m2 R2,899.00
B: Service facility signs		For signs < 18m2 R2,734.91	For signs < 18m2 R2,899.00
		For signs > 18m2 R2,734.91	For signs > 18m2 R2,899.00
C: Tourism signs		For signs < 18m2 R2,734.91	For signs < 18m2 R2,899.00
		For signs > 18m2 R2,734.91	For signs > 18m2 R2,899.00
D: Functional ads by public bodies		For signs < 18m2 R2,734.91	For signs < 18m2 R2,899.00
		For signs > 18m2 R2,734.91	For signs > 18m2 R2,899.00
A: Aerial signs		R4,302.85	R4,561.02
B: Vehicular ads		R3,046.32	R3,229.10
C: Trailer ads		R3,207.77	R3,400.24
Confiscation fee		R1,382.65 /m2	R1,465.61 /m2

## SCHEDULE 12.

### TARIFFS PAYABLE I.R.O. BUILDING & STRUCTURAL PLANS, OCCUPATION CERTIFICATES, RE-INSPECTION FEES & PAVEMENT DEPOSITS: 2024/2025

The determined tariffs are as follows:

#### Housing and Building Inspections

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
1	Building plan fees per sq metre of the gross floor area <input type="checkbox"/> Minimum	R27.74 /m2 R2,931.23	R29.40 /m2 R3,107.10
4	Occupation certificate fees	R345.64 per unit	R366.38 per unit
5	Re-Inspection fees	R345.64	R366.38
6	Pavement deposits R1-00 per sq metre <input type="checkbox"/> minimum <input type="checkbox"/> Maximum		
	Pavement deposits		
	Residential properties	R1,357.76	R1,439.23
	Commercial properties	R27,137.60	R28,765.86
	Pavement rental		
	Residential properties	R969.23 /month	R1,027.39 /month

	Commercial properties	R4,180.34 /month	R4,431.16 /month
	Commercial (CBD)	R9,689.73 /month	R10,271.11 /month
7	For the making or provision of plan reproductions: Per A1 size (area) or any part thereof	R49.76	R52.74
8	For the furnishing of Information.	R37.31	R39.55
9	For a list of approved building plans, copies, duplicates or reproductions of such list, per list:		
(i)	Per month	R37.31	R39.55
(ii)	Per annum	R464.56	R492.43

**SCHEDULE 13:**

**TARIFFS PAYABLE BY HAWKERS FOR SELLING OF PRODUCTS AND OTHER ACTIVITIES: 2024/2025**

Products allowed	Areas	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
Accessories: belts, bags, hair products, gloves, Cosmetics, Toys	Township	R58.06	R61.54
	City	R136.88	R145.09
Herbal products	Township	R58.07	R61.55
	City	R136.88	R145.09
Fruits and vegetables	Township	R58.05	R61.53
	City	R95.39	R101.11
Mobile hawkers (Ice cream, cool drinks, nuts)	Township	R20.71	R21.96
	City	R58.06	R61.54
Home utensils (Grass brooms & wooden spoons, steel wool, scrubbing products)	Township	R20.71	R21.96
	City	R58.06	R61.54
Hair dresser	Township	R95.39	R101.11
	City	R136.88	R145.09
Cooking	Township	R95.39	R101.11
	City	R136.88	R145.09
Shoe repairs	Township	R37.35	R39.60
	City	R95.39	R101.11
All Tenants	Limpopo cooking facility	R35.92 /m2	R38.08 /m2
All Tenants	Mankweng taxi rank, Bus terminus and Business centre	R20.71 /m2	R21.96 /m2
Micro	African Market	R37.32 /m2	R39.56 /m2
Small		R49.77 /m2	R52.75 /m2
Medium		R58.05 /m2	R61.53 /m2
All Tenants	Itsoseng Entrepreneurial centre	R20.75 /m2	R22.00 /m2
All Tenants	Mankweng Business centre (University)	R20.71 /m2	R21.96 /m2
New products permit tariffs			
Snacks, Newspapers airtime, cigarettes	Township	R43.08	R45.66
	City	R92.28	R97.82
Mopani Worms and Ground nuts	Township	R43.08	R45.66
	City	R92.28	R97.82
Photography	Township	R55.28	R58.60
	City	R89.86	R95.25
Bunny chow	Township	R89.87	R95.26
	City	R128.58	R136.29
Trolley Services	Township	R19.35	R20.51
	City	R55.28	R58.60
Stall at all Municipality facilities	Township and city	R228.12 p/day	R241.81 p/day

**AGANANG CLUSTER RENTAL AND OTHER SUNDRY CHARGES:**

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
1	RENT Rental of space for photos ID /licence passport photos	Per lease agreement	Per lease agreement
2	Processing applications for allocation of stand	R152.08	R161.20
3	Residential properties cluster	Market related Lease	Market related Lease
4	Rental Of Municipal office space(indoor and outdoor)	Market related (lease agreement)	Market related (lease agreement)
5	Rental of Aganang Municipal Hall	Rental of hall R2,765.33 and R691.32 is refundable if no damage incurred after usage. 25% of amount will not be refundable if booking is cancelled.  NO cancellation will be considered after the event date  (No refund than the R691.32 deposit)	Rental of hall R2,931.25 and R732.80 is refundable if no damage incurred after usage. 25% of amount will not be refundable if booking is cancelled.  NO cancellation will be considered after the event date  (No refund than the R732.80 deposit)
6	Rental of MPCC Hall – One stop	R1,659.19 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above	R1,758.74 per day of which R586.24 is refundable if no damage incurred. Cancellations to be handled as above
7	Rental of Municipal Market stalls	R228.12	R241.81
8	Rental of Municipal Sports Grounds (No entrance fees)	R1,659.23 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above	R1,758.78 per day of which R586.24 is refundable if no damage incurred. Cancellations to be handled as above
9	Rental of Municipal Sports Grounds (Entrance fees)	R9,678.67 per day and 15% of gate takings of which R2,765.32 the R9,680.77 is refundable if no damage incurred. Cancellations to be handled as above	R10,259.39 per day and 15% of gate takings of which R2,931.24 the R10,261.61 is refundable if no damage incurred. Cancellations to be handled as above
10	Rental of Seema Halls	R1,659.19 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above	R1,758.74 per day of which R586.24 is refundable if no damage incurred. Cancellations to be handled as above

**SCHEDULE 14:**

**TARIFFS PAYABLE FOR THE ISSUING OF CERTIFICATES AND DOCUMENTS AND FURNISHING OF INFORMATION TO ANY PERSON OR INSTITUTION WITH THE EXCLUSION OF INFORMATION TO CENTRAL, PROVINCIAL AND LOCAL GOVERNMENT**

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
1	For any certificate for which no charges are laid down in any Act, ordinance or by-law applicable to the council:		
(i)	Per original, typed A4 page or part thereof	R52.51	R55.66
(ii)	completed page of a copy, reproduction or duplicate of a pro forma certificate	R29.02	R30.76
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
(ii)	Thereafter for the furnishing of information to the same person or institution of the name and address of a person or the description of a property, subject to Section 18 (1) of the Promotion of Information act, 2000. (Act 2 of 2000). Regulation 6. and on the prescribed document	R37.31	R39.55
3	Inspection of, or the perusal of any deed, document, sketch or diagram:		
(i)	For the first hour	Free of charge	Free of charge
(ii)	Thereafter, per hour, or part of an hour	R29.01	R30.75
4	For endorsements on declaration of purchasers forms, per endorsement	R20.71	R21.96
5(i)	For the furnishing of information in order to obtain a clearance certificate (Manual) S118	R304.17	R322.42
	For the furnishing of information in order to obtain a clearance certificate( electronic)	R207.39	R219.83
5(ii)	For the issuing of a clearance certificate( Manual) S118	R326.47	R346.06
	For the issuing of a clearance certificate (electronic)	R207.39	R219.83
6(i)	For the continuous search or oral furnishing of information, per hour or part thereof	R132.71	R140.67
(ii)	For the furnishing of information continuously searched for, if supplied in writing,per A4 page or part thereof	R58.05	R61.53
(iii)	Deeds Office Enquiries: Per enquiry.	R145.16	R153.87
(iv)	Request for revaluation of property, per valuation per property	R677.49	R718.14
7	For voter's roll:		
-1	Per main list:		
	Per main list – printed	R515.71	R546.65
	Main list supplied per disc according to Council's format	R425.83	R451.38
(ii)	Per Ward:		
	Ward list – printed	R132.71	R140.67
8	For the retrieval of information stored on computer and to supply such information per disc.		
(i)	Computer costs per 15 minute day time or part thereof	R1,623.23	R1,720.62
(ii)	For the writing and/or applying of computer programmes to retrieve specific information and to supply such information per disc: per half hour or part thereof	R352.57	R373.72
	For the making or furnishing of copies, reproductions and		



9	For the making or furnishing of copies, reproductions and duplicates, excluding copies of plans – not provided for elsewhere per A4 size (area) or part of any document:	R9.66	R10.24
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
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
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.
13	Charges in respect of Debit or stop Orders "refer to drawer (unpaid Debit)" CR29/06/1992	Per cheque: R454.95	Per cheque: R482.25
14	Unidentified/Unallocated Receipt fee/ Payment by the customer with incorrect or invalid reference details other than the account number per account per transaction.	R221.49	R234.78

**SCHEDULE 15:**

**TARIFFS PAYABLE FOR LEETO POLOKWANE BUS FARES**

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024
1	Seshego	R 13.00	R 14.00
2	FTA	R 8.00	R 8.50
3	WTA	R 8.00	R 8.50

**INDIGENT FEE:**

INDIGENT BASIC LEVY	R119.65	R126.83
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- To qualify as Indigent, the household income must not exceed R5 440.00 per month.
- Indigents will receive a 100% rebate on property rates and other basic charges.
  - o **The indigent write off will not include the penalty for by passing supply on the meters unless as incentive program.**

**ADVERTISING ON MUNICIPAL ACCOUNTS/STATEMENTS**

1	Per Full Page /Account	R0.10	R0.10
2	Per Half Page or Part Thereof	R0.05	R0.05
The advertising tariffs are per account per month. Full page means one side of A4 page. Advertisement cannot be done for more than three consecutive months, and space must be booked in advance.			

All charges exclude VAT except for Sundry charges and where otherwise indicated. The municipality may not provide change in cents up to R1.00 over the counter and such will be credited to the consumer 's account.

Any person who wishes to lodge a dispute in respect of the account must submit such dispute within 60 days of the

**Ms. Thuso Nemugumoni**

**MUNICIPAL MANAGER**

Polokwane Municipality Civic Center  
Corner of Landdros Marè and Bodenstein Streets  
**POLOKWANE**  
'0699

# Annexure G:

## SERVICE STANDARDS

**Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2024/25**

Standard	Description	Service Level Current year
<b>Solid Waste Removal</b>		
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)		24hours
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
<b>Water Service</b>		
Water Quality rating (Blue/Green/Brown/N0 drop)		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
<b><i>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</i></b>		
One service connection affected (number of hours)		1
Up to 5 service connection affected (number of hours)		3
Up to 20 service connection affected (number of hours)		6 to 8 hours
Feeder pipe larger than 800mm (number of hours)		24

**Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2024/25**

Standard	Description	Service Level Current year
	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
	Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No, however the pipes used are corrosion free
<b>Electricity Service</b>		
	What is your electricity availability percentage on average per month?	101 percent
	Do 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?	6 percent
	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)	The following month
	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)	Same 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)	6 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)	Average
	How soon does the municipality provide a quotation to a customer upon a written request? (days)	3 days
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	2 to 5 days
	(working days)	2 to 3 days
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	5 to 10 days, it depends on how big the connection is and the availability of equipment

**Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2024/25**

Standard	Description	Service Level Current year
<b>Sewerage Service</b>		
Are your purification system effective enough to put water back in to the system after purification?		No
To what extend do you subsidize your indigent consumers?		1
<b>How long does it take to restore sewerage breakages on average</b>		
Severe overflow? (hours)		2 to 3 hours
Sewer blocked pipes: Large pipes? (Hours)		2 to 3 hours
Sewer blocked pipes: Small pipes? (Hours)		2 to 3 hours
Spillage clean-up? (hours)		5
Replacement of manhole covers? (Hours)		As soon as reported
<b>Road Infrastructure Services</b>		
Time taken to repair a single pothole on a major road? (Hours)		24 to 48 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
<b>Property valuations</b>		
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
<b>Financial Management</b>		
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)		Decrease
Are the financial statement outsourced? (Yes/No)		No
Are there Council adopted business process instructing the flow and management 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?		30 days

**Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2024/25**

Standard	Description	Service Level Current year
	Is there advance planning from SCM unit linking all departmental plans quaterly and annually including for the next two to three years procurement plans?	Yes
<b>Administration</b>		
	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)	30 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)	No
	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

**Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2024/25**

Standard	Description	Service Level Current year
<b>Community safety and licensing services</b>		
How long does it take to register a vehicle? (minutes)		10
How long does it take to renew a vehicle license? (minutes)		5
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	10 minutes upon authorisation by Department of Transport	
How long does it take to de-register a vehicle? (minutes)		15
How long does it take to renew a drivers license? (minutes)	15 minutes within the City and 40 minutes outside the City	
What is the average reaction time of the fire service to an incident? (minutes)	15 minutes within the City and 40 minutes outside the City	
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	
<b>Economic development</b>		
How many economic development projects does the municipality drive?		8
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?		4
What percentage of the projects have created sustainable job security?		90 percent
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes	
<b>Other Service delivery and communication</b>		
Is a 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 H:

## MUNICIPAL MANAGER QUALITY CERTIFICATE

Municipal Manager's Quality Certificate



I, **THUSO NEMUGUMONI**, the Municipal Manager of Polokwane Local Municipality, hereby Certify that –

- The Annual Budget 2024/25 – 2026/27 and supporting documents have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the Final Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print name:

Thuso Nemugumoni

Municipal Manager of Polokwane Local Municipality: LIM354

Signature :

Thuso Nemugumoni

Date :

18/04/2024

# Annexure I:

## NATIONAL TREASURY FUNDING ASSESSMENT

## Zinzi Mphahlele

---

**From:** Sifiso Mabaso <Sifiso.Mabaso@treasury.gov.za>  
**Sent:** Monday, 15 April 2024 14:59  
**To:** Thabo Nonyane  
**Cc:** Thuso TL. Nemugumoni; Jabulile Ngwenya; Moleboheng Mathebula; Victor Nengovhela; Zinzi Mphahlele  
**Subject:** Polokwane - Outcome of Draft Budget Funding Assessment - 2024\_25MTREF  
**Attachments:** Polokwane - Outcome of Draft Budget Funding Assessment - 2024\_25MTREF.docx

Good Day CFO

Kindly receive herewith an extract from our funding model on the outcome of the funding assessment of the 2024/25 proposed (draft) budget.

The outcome of the funding assessment shows that the proposed budget is funded at this stage. However, this outcome is neither a motivation for additional expenditure nor an approval for additional projects into the proposed budget given the likelihood of the budget to be in an unfunded position.

Please feel free to contact us should there be a need for further assistance or clarity.

We are looking forward to a fruitful discussion in the forthcoming budget and benchmarking engagement.

Regards

**National Treasury EMail Disclaimer**

LIM354 - Polokwane		CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK				
Description	2023/24	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	
R thousand	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	122 817	278 040	1 435 753	224 835	129 847	249 615	169 725	287 777	252 932	
Other current investments > 90 days	(0)	(25 088)	(581 111)	(27 778)	(0)	(33 226)	-	(40 309)	0	
Non current assets - Investments	-	-	-	-	-	-	-	-	-	
<b>Cash and investments available:</b>	<b>122 817</b>	<b>252 951</b>	<b>854 643</b>	<b>197 056</b>	<b>129 847</b>	<b>216 390</b>	<b>169 725</b>	<b>247 469</b>	<b>252 932</b>	
<b>Application of cash and investments</b>										
Unspent conditional transfers	3 559	25 772	342 819	25 772	3 559	25 772	3 559	25 772	3 559	
Unspent borrowing	-	-	-	-	-	-	-	-	-	
Statutory requirements	62 925	369	51 944	(4 383)	142 966	(255)	232 196	4 563	325 108	
Other working capital requirements	(178 846)	(768 350)	(1 057 629)	(948 374)	(149 489)	(1 626 598)	(117 371)	(2 388 038)	(95 315)	
Other provisions	135	117 268	131 487	117 275	278	117 425	428	117 582	585	
Long term investments committed	-	-	-	-	-	-	-	-	-	
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	
<b>Total Application of cash and investments:</b>	<b>(112 226)</b>	<b>(624 941)</b>	<b>531 378</b>	<b>(809 710)</b>	<b>(2 686)</b>	<b>(1 483 657)</b>	<b>118 812</b>	<b>(2 240 121)</b>	<b>233 937</b>	
<b>Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief Benefits</b>	<b>235 043</b>	<b>877 892</b>	<b>1 386 021</b>	<b>1 006 766</b>	<b>132 533</b>	<b>1 700 046</b>	<b>50 913</b>	<b>2 487 589</b>	<b>18 994</b>	
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	
<b>Surplus(shortfall) - Incl Non-Current Creditors Trf to Debt Relief Benefits</b>	<b>235 043</b>	<b>877 892</b>	<b>1 386 021</b>	<b>1 006 766</b>	<b>132 533</b>	<b>1 700 046</b>	<b>50 913</b>	<b>2 487 589</b>	<b>18 994</b>	

# **Annexure J:**

## **COUNCIL RESOLUTION**

**RESOLUTION OF THE COUNCIL OF POLOKWANE LOCAL MUNICIPALITY**

**DATE OF RESOLUTION: 29 APRIL 2024**

**RESOLUTION NO: CR205/04/24**

**ITEM – 8.5**

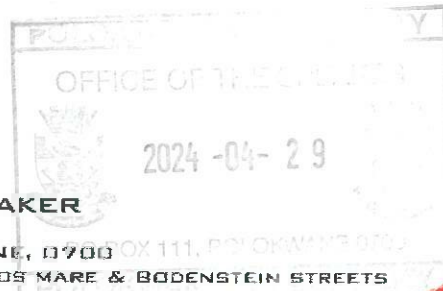
**2024/2025 FINAL BUDGET**

**RESOLVED THAT:**

1. That the annual budget of the municipality and municipal entity (Polokwane Housing Association) for the financial year 2024/25 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 be approved as set out in the following tables:
  - 2.1. Budgeted Financial Position as contained in Table A6 and D4;

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- 2.2. Budgeted Cash Flows as contained in Table A7 and D5;
  - 2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
  - 2.4. Asset management as contained in Table A9; and
  - 2.5. Basic service delivery measurement as contained in Table A10.
3. The Council of Polokwane Municipality, acting in terms of section 75A of the Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2021: as set out in the Proposed Tariffs booklet:
- 3.1. the tariffs for property rates;
  - 3.2. the tariffs for electricity;
  - 3.3. the tariffs for the supply of water;
  - 3.4. the tariffs for sanitation services; and
  - 3.5. the tariffs for solid waste services.
4. That the following budget related policies be approved for implementation in 2024/25.
- 4.1. Asset Management Policy;
  - 4.2. Billing Policy;
  - 4.3. Borrowing Policy;
  - 4.4. Budget and Virement Policy;
  - 4.5. Cash management and Investment Policy;
  - 4.6. Claims committee and loss Policy;
  - 4.7. Consumer Deposit Policy;
  - 4.8. Cost Containment Policy;
  - 4.9. Credit control and debt collection Policy;
  - 4.10. Expenditure Management Policy;
  - 4.11. Fare Policy and Fare Structure;
  - 4.12. Funding and reserves Policy;

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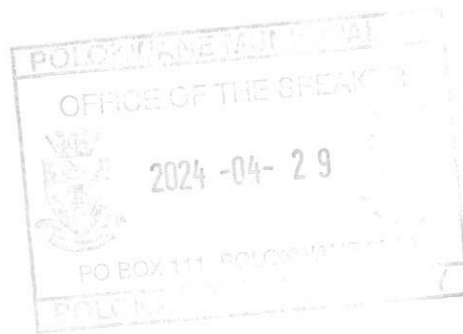
- 4.13. Indigent and Social Assistance Policy;
  - 4.14. Integrated Customer Care Policy;
  - 4.15. Inventory Policy;
  - 4.16. Leave Policy;
  - 4.17. Performance Management System Policy (Organisational and Employee Management Policy);
  - 4.18. Property Rates Policy;
  - 4.19. Subsistence and Travelling Policy;
  - 4.20. Supply chain management Policy;
  - 4.21. Tariff Policy; and
  - 4.22. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy.
5. The MSCOA Roadmap be approved.



CLLR K.W. MODIBA  
COUNCIL SPEAKER

29/04/2024

DATE



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