



GREATER LETABA MUNICIPALITY

Maatla go sechaba

**DRAFT ANNUAL BUDGET AND SUBSTANTIVE DOCUMENTATION OF GREATER
LETABA MUNICIPALITY FOR FINANCIAL YEAR 2022/23**

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1. ITEM

2022/23 Annual Budget

2. MAYOR'S REPORT

Madam Speaker
EXCO Members
Chief Whip of Council
MPAC Chairperson
All Councillors
Traditional Leaders
Municipal Manager
Directors
Officials
Members from the gallery

Good morning!

Madam Speaker, our council sits here today with the sole purpose of adopting the 2022/23 Draft Annual IDP/Budget. The Draft Annual Budget was developed in line with Section 16 of MFMA 56 of 2003 and (2b) which indicates that: The Council of a municipality must for each financial year approve an Annual Budget before the start of the financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the draft annual budget at a council meeting at least 90 days before the start of the financial year.

Council must note that the after-effects of the COVID-19, old infrastructure had a negative impact on the municipality's ability to collect revenue. As such, consideration of such eventualities has been considered when preparing this draft annual budget for the year 2022/23. The municipality is therefore faced with the difficulty of balancing the needs of the community with its ability to collect sufficient revenue to run its operations. We hope this coming financial Council will explore avenues to raise adequate funds to execute Council mandate.

Today, Madam Speaker, I present the draft annual budget 2022/23 with total operating revenue of R467 Million while the total operational expenditure presented here today is standing at R371 Million. A total of R159 Million has been made available through conditional grants (R 65,7 million) and own funding (R93,3 million) surpluses in order to cater for the Capital budgets.

In conclusion, Madam Speaker, we shall endeavour to implement all measures necessary for the municipality to obtain a clean audit soon.

I hereby present the 2022/23 Draft Annual IDP/Budget for adoption by Council of Greater Letaba Municipality.

1.3 EXECUTIVE SUMMARY PURPOSE

The purpose of the draft annual budget is to comply with section 24 of MFMA which state that the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year; section 16(2) of MFMA further states that the Mayor of the municipality must table the draft annual budget at a council meeting at

least 90 days before the start of the budget year. It is therefore the purpose of this report for Council to consider draft annual budget for the 2022/23.

The following are the challenges experienced during the compilation of the 2022/2023 MTREF

- The ongoing difficulties in the national and local economy which warranted that a stringent reprioritization process be undertaken for projects and operational expenditure within the existing limited resources.
- Ageing infrastructure versus limited resources.
- Covid-19 continuation also caused the institution to impose restrictions to manage the spread as it pushed the municipality develop staff rotational schedule.

The following budget principles and guidelines directly informed the compilation of the 2022/23:

- Budget circular no.112, 115 informed preparation of 2022/23 Medium Term Revenue Expenditure Framework budget together with both the State of the National Address, Budget Speech of Minister of Finance, State of Provincial Address, and Inflation rate were also used as a guideline in compilation of 2022/23 Draft Annual Budget.
- Tariffs and property rates increase should be affordable and generally not exceed inflation rate that will range between 3 & 6 as measured by the CPI of 4.8, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective and should consider the need to address infrastructure backlogs.

Table 1 THE FOLLOWING INFORMATION BELOW ILLUSTRATES OVERVIEW OF THE DRAFT ANNUAL BUDGET FOR 2022/2023 ON TABLE A1

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial										
Performance										
Property rates	-	14,713	13,831	24,522	24,522	24,522	6,860	25,700	26,830	28,038
Service charges	-	20,593	21,291	23,529	23,529	23,529	10,113	24,659	25,744	26,902
Investment revenue	-	1,711	1,829	1,274	1,274	1,274	810	1,308	1,365	1,427
Transfers recognised - operational	-	293,510	364,887	321,708	331,708	331,708	243,227	373,968	395,412	418,655
Other own revenue	-	26,049	28,149	39,068	39,068	39,068	15,832	41,474	33,745	33,774
Total Revenue (excluding capital transfers and contributions)	-	356,576	429,987	410,102	420,102	420,102	276,841	467,108	483,096	508,795
Expenditure										
Employee costs	-	109,247	122,842	126,291	121,560	121,560	67,280	127,139	132,737	138,710
Remuneration of councillors	-	22,714	23,655	26,902	26,902	26,902	19,600	28,193	29,433	30,758
Depreciation & asset impairment	-	33,832	36,906	13,507	13,951	13,951	26,666	14,620	15,264	15,950
Finance charges	-	334	364	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	31,555	27,015	32,569	27,816	27,816	17,414	29,550	30,850	32,238
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	135,760	217,867	162,323	154,050	154,050	102,233	171,749	176,513	184,071
Expenditure Total	-	333,442	428,648	361,591	344,278	344,278	233,192	371,251	384,796	401,728
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	23,134	1,339	48,511	75,823	75,823	43,649	95,857	98,299	107,067
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	55,305	63,527	67,794	57,794	57,794	28,951	62,422	65,183	68,121
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	78,439	-	116,305	133,618	133,618	72,600	158,279	163,483	175,188
	-	-	-	-	-	-	-	-	-	-

	-	78,439	-	116,305	133,618	133,618	72,600	158,279	163,483	175,188
Capital expenditure & funds sources										
Capital expenditure	-	88,221	89,476	116,244	131,756	131,756	78,501	155,742	149,783	147,421
Transfers recognised - capital	-	(0)	46,924	67,794	57,794	57,794	30,042	62,422	65,183	68,121
Borrowing	-	-	(1,211)	-	-	-	-	-	-	-
Internally generated funds	-	(10)	45,868	48,450	73,962	73,962	48,732	93,320	84,600	79,300
Total sources of capital funds	-	(10)	91,580	116,244	131,756	131,756	78,774	155,742	149,783	147,421
Financial position										
Total current assets	-	147,764	43,455	168,070	59,354	59,354	82,990	441,041	927,737	517,888
Total non current assets	-	963,672	1,034,228	1,066,924	1,152,129	1,179,864	1,086,404	127,146	258,627	130,758
assets Total current	-	89,031	89,054	81,453	38,288	(37,512)	100,817	409,902	864,596	473,458
liabilities	-	9,439	12,180	12,983	55,221	(55,221)	12,180	0	0	-
Total non current liabilities	-	944,263	983,686	1,024,253	1,001,669	1,001,669	1,086,854	158,279	321,761	175,188
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	-	(246,093)	253,875	107,607	129,080	129,080	192,933	159,908	165,183	176,965
Net cash from (used) investing	-	-	(87,845)	(104,000)	(131,756)	(131,756)	(104,256)	(156,892)	(140,783)	(147,630)
Net cash from (used) financing	-	-	3	-	-	-	(5)	-	-	-
Cash/cash equivalents at the year end	-	(246,093)	166,945	4,519	1,508	1,508	92,855	3,013	27,413	56,748
Cash backing/surplus reconciliation										
Cash and investments available	-	912	4,184	4,519	1,508	1,508	16,373	3,013	27,413	29,335
Application of cash and investments	-	80,242	54,794	(46,082)	(1,966)	(77,766)	7,945	27,925	94,807	57,297
Balance - surplus (shortfall)	-	(79,330)	(50,610)	50,601	3,473	79,274	8,428	(24,912)	(67,394)	(27,962)
Asset management										
Asset register summary (WDV)	-	963,672	1,034,228	1,066,924	1,152,129	1,152,129	1,152,129	127,145	258,627	130,758
Depreciation	-	32,240	36,901	13,507	13,951	13,951	13,951	14,620	15,264	15,950
Renewal and Upgrading of Existing Assets	-	4,977	8,774	7,400	15,618	15,618	15,618	7,900	9,200	42,057
Repairs and Maintenance	-	14,973	26,877	22,752	23,122	23,122	23,122	19,533	20,988	23,933

- Total operating revenue excluding capital transfer and contributions increased by 10 per cent or R47 million when compares to 2021/22 adjustment budget.
- The total allocation for all grants is R373 million for operational grants and R62 million for capital grants, the total allocation for funding of own capital projects for the municipality is 93 million while the grants is consisting of 62 million of the allocation which shows that the municipality must work hard to fund its service delivery projects this financial year. Projected operating revenue for the two outer years increased by 3,3 percent and 5.1 percent respectively. The budgeted total operating expenditure for the financial year 2022/23 is R371 million, resulting in operating surplus of R158 million. Operating expenditure for the respective outer years of the draft annual budget period has grown to R384 million and R401 million. Operating surplus for the same periods increased to R163 million and R173 Million for the two outer years.

1.4. OPERATING REVENUE FRAMEWORK

Greater Letaba Municipality to continue improving the quality of services provided to its citizens it needs to generate the adequate revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that the municipality is faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices 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 percent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to all property rates;
- 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); and
- The municipality's Indigent Policy and rendering of free basic services.

Table 2 The following summary of the 2022/23 draft budget (classified by main revenue source) on Table A2 of the A-schedule.

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Revenue - Functional	1									
Governance and administration			371,726	447,952	420,627	420,627	420,627	459,599	474,938	502,591
Executive and council Finance and administration										
Internal audit				31	216	216	216	226	236	247
Community and public safety				7	86	86	86	90	94	98
Community and social services Sport and recreation				24	130	130	130	136	142	148
Public safety			14,572	18,336	18,866	18,866	18,866	19,772	20,641	21,570
Public housing				9	42	42	42	44	45	47
Public housing			14,572	18,326	18,824	18,824	18,824	19,728	20,596	21,523
Public health			25,582	27,195	38,188	38,188	38,188	49,933	52,464	52,508
Public health			20,395	22,402	33,748	33,748	33,748	45,280	47,607	47,432
Public health			323	0						
Economic and environmental services			0	0						
Planning and development Road	4		4,864	4,794	4,439	4,439	4,439	4,652	4,857	5,076
Total Revenue - Functional	2		411,88	493,51	477,89	477,89	477,89	529,52	548,27	576,91
Expenditure - Functional										
Governance and administration			175,762	190,810	200,597	174,118	174,118	185,368	193,458	202,097
Executive and council Finance and administration			70,977	51,428	61,699	54,786	54,786	58,382	60,951	63,694
Internal audit			2,161	2,984	2,979	2,866	2,866	3,021	3,154	3,295
Internal audit			24,291	21,471	34,930	41,109	41,109	39,910	41,666	43,541
Community and public safety			8,953	6,810	11,137	16,624	16,624	14,989	15,649	16,353
Community and social services Sport and recreation			14,434	13,704	22,930	23,641	23,641	24,026	25,083	26,212
Public safety			904	957	863	844	844	895	935	977
Public housing			85,931	104,120	78,649	74,956	74,956	79,565	80,008	85,609
Public housing			17,651	18,146	25,934	23,280	23,280	22,881	23,889	24,964
Public housing			68,280	85,973	52,715	51,676	51,676	56,684	56,119	60,645
Public health			47,457	112,247	47,415	54,096	54,096	66,407	69,663	70,481
Public health			41,068	52,017	38,598	46,745	46,745	58,764	61,684	62,142
Public health			(0)	(173)						
Economic and environmental services			736	576	945	949	949	994	1,038	1,085
Planning and development Road	4		5,653	59,828	7,872	6,402	6,402	6,649	6,942	7,254
Total Expenditure - Functional	3		333,44	428,64	361,59	344,27	344,27	371,25	384,79	401,72
Surplus/(Deficit) for the year			78,43	64,86	116,30	133,61	133,61	158,27	163,48	175,18

Table A2 is Budgeted Financial Performance (Revenue and Expenditure by Functional Classification), The total revenue for the draft budget is R 529 million, R548 million and R576 million financial years respectively. The highest amount is on the Governance Admin with R459 million, R474 million and R502 million with outer years. The huge amounts in Governance Administration is mainly due to operational grants, property rates, interest earned, and other revenue as reflective and detailed on finance function on Table A4.

Table 3 Budgeted Financial Performance (revenue and expenditure by municipal vote) on Table A3

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	372,048	447,952	420,627	420,627	420,627	459,599	474,938	502,591
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Public Safety		-	-	31	216	216	216	226	236	247
Vote 7 - Planning and development		-	-	9	42	42	42	44	45	47
Vote 8 - Road Transport		-	14,572	18,326	18,824	18,824	18,824	19,728	20,596	21,523
Vote 9 - Energy Sources		-	20,395	22,402	33,748	33,748	33,748	45,280	47,607	47,432
Vote 10 - Waste Water Management		-	0	0	-	-	-	-	-	-
Vote 11 - Waste Management		-	4,864	4,794	4,439	4,439	4,439	4,652	4,857	5,076
Total Revenue by Vote	2	-	411,880	493,514	477,896	477,896	477,896	529,529	548,279	576,916
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		-	70,977	51,428	61,699	54,786	54,786	58,382	60,951	63,694
Vote 2 - Finance and Administration		-	102,624	136,225	135,920	116,466	116,466	123,965	129,354	135,107
Vote 3 - Internal Audit		-	2,161	2,984	2,979	2,866	2,866	3,021	3,154	3,295
Vote 4 - Community and Public Safety		-	23,387	20,514	34,067	40,265	40,265	39,015	40,732	42,564
Vote 6 - Housing		-	904	957	863	844	844	895	935	977
Vote 7 - Planning and development		-	17,651	18,146	25,934	23,280	23,280	22,881	23,889	24,964
Vote 8 - Road Transport		-	68,280	85,973	52,715	51,676	51,676	56,684	56,119	60,645
Vote 9 - Energy Sources		-	41,068	52,017	38,598	46,745	46,745	58,764	61,684	62,142
Vote 10 - Waste Water Management		-	736	576	945	949	949	994	1,038	1,085
Vote 11 - Waste Management		-	5,653	59,828	7,872	6,402	6,402	6,649	6,942	7,254
Vote 12 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	333,442	428,648	361,591	344,278	344,278	371,251	384,796	401,728
Surplus/(Deficit) for the year	2	-	78,439	64,866	116,305	133,618	133,618	158,279	163,483	175,188

Table 3 above is budgeted performance overview per revenue and expenditure vote in terms of municipal organogram or structure. The budget is informed by the allocation for municipalities as per National Treasury division of revenue act.

1.4.1. 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, this circular provides further guidance to municipalities and municipal entities for the preparation of their 2022/23 Budgets and Medium-Term Revenue and Expenditure Framework (MTREF) and implementation of the Municipal Rates.

The following stipulations in the Municipal Tariffs are highlighted:

DRAFT ANNUAL RATES AND TAXES 2022/2023 FINANCIAL YEAR

Categories	Current Tariff
Residential property	0.0100
Business, Commercial & Industrial Property	0.0200
Agricultural Property	0.0025
State Owned Property	0.0025
Public Service Infrastructure	0.0025
Mining Property	0.0200

1. Indigent Households are fully exempt from the payment of rates & taxes in terms of Indigent Policy of the Municipality.
2. The first R30 000 on all rateable developed residential properties is exempted from assessment rates. The first R15 000 on all rateable undeveloped residential property is exempted from assessment rates.
3. The phasing in rebates in terms of the implementation of the total market value of residential property is as follows:
2022/2023 Financial Year - 75% phasing rebate
2023/2024 Financial Year - 50% phasing rebate
2024/2025 Financial Year - 25% phasing rebate
2025/2026 Financial year - full rates payable
Phasing in Rebates do not apply on vacant sites.
4. Pensioners with an income more than the threshold as per indigent policy qualifies for 40% discount on rates and taxes
5. The rebate in the rates applicable to agricultural land is calculated as follows:
 - a. The extent of municipal services provided to agricultural properties.
7.5% rebate, if there are no municipal roads next to the property.
7.5% rebate, if there is no municipal sewerage to the property.
7.5% rebate, if there is no municipal electricity to the property.
 - b. The contribution of agriculture to the local economy:
A rebate of 5% will be granted to agricultural property that contributes substantially to job creation, and the salaries/ wages of farm workers are reasonable, e.g. if they meet minimum standards set by the government or if they are in line with the sector's average.
 - c. The following rebates be granted to the extent to which agriculture contribute to the social and economic welfare of farm workers.
7.5% rebate, if potable water is provided
7.5% rebate, if electricity is provided
10% rebate, if the farmer is availing his land for education & recreation purposes.

All rebates mentioned above are applicable to all agricultural property except 10% on land available for education and recreation purposes.

6. Rebate Applicable to private owned towns

Private owned towns with municipal services - 30% rebate

Private owned towns with own services - 50% rebate

7. Rebate applicable to Communal land as defined in the MPRA

8. Exemptions

The municipality grants an exemption from the payment of rates in respect of the following:

a. Any rateable property registered in the name of a welfare organisation registered in terms of the National Welfare Act, 1978 (Act 100 of 1978)

b. Any hospital, clinic or institution that is operated not with the intention to make profit.

c. Any rateable property registered in the name of a public benefit organisation that carries out specified public benefit activities.

d. Any cemetery or crematorium that is registered in the name of a private person and that is used exclusively for burials or cremations, as the case may be,

e. Any museum, art gallery, library or botanical garden including ancillary business activity that is registered in the name of a private person and that is open to the public, whether admission is charged or not,

f. Any national monument, including any ancillary business activity conducted at a national monument,

g. Any rateable property registered in the name of a trustee or trustees or any organisation that is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), 1989 (Act 37 of 1989/0 and their families,

h. Any sports grounds used for the purposes of amateur sport, or any social activity connected with such sport,

i. Any rateable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organisation that is, in the opinion of the Municipality, similar to any rateable property let by the Municipality to any such organisation.

j. Any rateable property registered in the name of a declared institution as defined in section 1 of the Cultural Institutions Act, 1969 (Act 29 of 1969) or the Cultural Institutions Act (House of Assembly), 1989 (Act 66 of 1989)

k. On a rateable property registered in the name of a church, and used primarily as a place of public worship by the church including an official residence of the church

l. Any residential property that is occupied by the owner of the property and has a value below an amount to be determined during the budget process which amount should not be less than R15 000 or R30 000,

m. Any property on or under a public service infrastructure,

n. Property zoned for private road purposes and incidental thereto,

o. Any public school,

p. Any independent school,

q. Any property or portion thereof, used as a pre-primary school or day care centre.

r. Full exemption for five years for privately owned farm properties meant for residential development until the stand is fully transferred to the new owner. Should the use or ownership or circumstances used to approve exemption from payment of assessment rates change, such exemptions will immediately lapse from date of change.

9. Amount due for rates shall be payable on the 01 August 2022.

10. The rates shall be payable in 12 monthly instalments from 01 July 2022 before or on the 7th of each month.

11. Farmers will arrange with municipality in terms of the payment of assessment rates.

12. The rates applicable to communal land will be a fixed rate that will be determined through a resolution by the municipality and traditional authorities.

13. Interest shall be chargeable on all amounts in arrears at 18% on outstanding debt.

1.4.2. Waste Management/Sewerage and Impact of Tariff Increases

A tariff increases of 4,8 per cent for waste management from 1 July 2022 is determined. This is based on the input cost assumptions related to water.

ANNUAL TARIFFS 2022/2023 FINANCIAL YEAR

WASTE MANAGEMENT / SEWARAGE	Final tariffs 2022/2023	Approved tariffs 2021/2022	increase %
Sewerage services (waterborne sewerage)			
per sewerage connection per month	R 91.03	R 86.86	4.80
New Sewerage connection point	R 853.40	R 814.32	4.80
Removal of wastewater and sewerage			
RESIDENTIAL			
Minimum fees per tank per month or part thereof	R 222.76	R 212.56	4.80
BUSINESS			4.80
Per kilolitre water consumed the previous month (Recoverable from the owner of the property)	R 8.20	R 7.83	4.80
Minimum fees per tank per month or part thereof	R 244.64	R 233.44	4.80
Septic tanks per suction or part thereof	R 405.08	R 386.53	4.80
Outside modjadjiskloof town per kilolitre to and from (labour included)	R 169.54	R 161.78	4.80
Sewerage blockages			
MODJADJISKLOOF			
Cleaning of blockages per hour or part thereof	R 605.34	R 577.62	4.80
GA-KGAPANE			
Cleaning of blockages per hour or part thereof	R 153.61	R 146.58	4.80
Sewer connection for ModjadjisKloof businesses determined by the distance in metres, material, equipment, labour cost and administration fee for such connection	R 879.57	R 839.29	4.80

ALL TARIFFS ARE VAT EXCLUSIVE

1.4.3. Sale of Water and Impact of Tariff Increases

The municipality faces similar challenges regarding water supply as the rest of South Africa, which is that demand growth outstrips supply. Consequently, the municipality has, in consultation with Mopani District Municipality which is the water authority, carefully reviewed the Service level agreement and structure of the water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance, water networks and the cost associated with maintenance or replacement of damaged water networks;
- 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.

Greater Letaba Municipality is not a water authority in terms of the Act but rendering the service on behalf of the Mopani District Municipality. The Municipality receives bulk water from the Department of Public Works.

A tariff increase of 4,8 per cent from 1 July 2021 for water is proposed. This is based on the increase in the cost of other inputs.

A summary of the tariffs for households (residential) and non-residential are as follows:

DETERMINATION OF ANNUAL WATER TARIFFS 2022/2023 FINANCIAL YEAR

WATER DISTRIBUTION		Draft Tariff 2022/2023	approved Tariff 2021/2022	% increase
{a}	New connections and changes: cost + 10% with a minimum fee of	R 531.39	R 507.05	4.80
{b}	Reconnection of supply cut off for non payment	R 661.10	R 630.82	4.80
{c}	Unnecessary call out of plumber	R 258.30	R 246.47	4.80
{d}	MODJADJISKLOOF Availability fee per stand wheather connected or not to the supply from the network per month or part thereof	R 56.89	R 54.29	4.80
{e}	GA KGAPANE Availability fee per stand wheather connected or not to the supply from the network per month or part thereof	R 56.89	R 54.29	4.80
(f)	CONSUMPTION :			
	MODJADJISKLOOF			
	Kilolitre consumption -Household connections			
	0-6 kl	R 5.73	R 5.46	4.80
	7-10 kl	R 6.33	R 6.04	4.80
	11-50 kl	R 7.90	R 7.54	4.80
	above 50 kilolitre	R 9.51	R 9.07	4.80
	GA KGAPANE / SENWAMOKGOPE			
	Kilolitre consumption - Household connections			
	0-6 kl	R 5.73	R 5.46	4.80
	7-10 kl	R 6.33	R 6.04	4.80

	11-50 kl	R 7.90	R 7.54	4.80
	above 50 kilo litre	R 9.51	R 9.07	4.80
(g)	MODJADJISKLOOF, GA KGAPANE AND SENWAMOKGOPE			
	Kilolitre consumption - Business and Industrial connections			
	Per kilolitre	R 6.56	R 6.26	4.80
	ALL TARIFFS ARE VAT XCLUSIVE			

1.4.4. Waste Removal and Impact of Tariff Increases

The Municipality has a contract for waste removal for businesses and have employees who collect refuse for residential areas.

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The Municipality's landfill site is situated 55 km outside the collection areas. The 4,8 per cent increase in the waste removal tariff is proposed from 1 July 2022. Higher increases would not be viable in 2022/23 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services.

The following table compares current and proposed amounts payable from 1 July 2022

DETERMINATION OF DRAFT ANNUAL WASTE MANAGEMENT TARIFFS 2022/2023 FINANCIAL YEAR

WASTE MANAGEMENT/REFUSE

		Final tariff 2022/2023	Current Tariff 2021/2022	% increase
{a}	<u>A compulsory basic fee of R37.00 per household/business according to the</u> Number of holders on all stands per month (removal 1 per week). This will be paid by all dwellings and businesses in Modjadjiskloof, Ga-kgapane and senwamokgope			
{b}	GA KGAPANE TOWN All stands per month (removal 1x per week)	R 119.48 R 0.00	R 114.00 R 0.00	4.80 4.80
{c}	GA KGAPANE BUSINESS	R 356.1	R 339.84	4.80
{d}	MODJADJISKLOOF TOWN			
	Dwelling per month (removal 1x per week)	R 0.00	R 0.00	4.80
	Business 1, per month (removal 1x per week)	R 182.06	R 173.72	4.80
	Business 2, per month (removal 2x per week)	R 284.47	R 271.44	4.80
	Business 3, per month (removal more than 2x per week)	R 497.2	R 474.47	4.80
		R1 386.86	R1 306.16	4.80

Mass holders: 6 cub m,per removal	R 613.31	R 585.22	4.80
1.75 m3 mass holder per business per month	R 855.68	R 816.49	4.80
Shared 1.75 m3 mass holder per business per month	R 427.58	R 408.00	4.80
4m3 mass holder per business per month	R 941.02	R 897..92	4.80
Shared 4m3 mass holders per business per month	R 563.25	R 537.45	4.80
4.6 m3 mass holder per business per month	R 997.91	R 952.21	4.80
Shared 4.6m3 mass holders, per business per month.	R 611.04	R 583.05	4.80
240L trolley bin per month	R 235.54	R 224.75	4.80
{e} Senwamokgope dwellings and business			
All stands per month (removal 1x per week)	R 98.99	R 94.46	4.80

ALL TARIFFS ARE VAT EXCLUSIVE

1.4.5 Electricity and Impact of Tariffs

The municipality has a license on the demarcated area i.e. Modjadjiskloof and is servicing its clients and implemented prepaid electricity due to challenges of residents being unwilling to make payments for service rendered regarding provision of electricity in the entire town. The increase of electricity tariffs is due to Eskom increase on bulk electricity purchase and mandate from NERSA.

DETERMINATION OF ANNUAL ELECTRICITY TARIFFS 2022/2023 FINANCIAL YEAR

	ELECTRICITY DISTRIBUTION	Draft tarriff 2022/2023	Approved Tariff 2021/2022	% increase
{a}	New connections: domestic cost + 10% with a minimum fee of	R 1 835.39	R 1 751.32	4.80
{b}	New connections: business cost +10% with a minimum fee of	R 3 991.65	R 3 808.83	4.80
{c}	Consumer notification of intention to disconnect (telephonically)	R 76.24	R 72.75	4.80
{d}	Reconnection of supplier cut off for non-payment	R 458.56	R 437.56	4.80
{e}	Deposit domestic: 2x monthly use with a minimum of (only conventional)	R 1 100.32	R 1 049.93	4.80
	Deposit domestic flats 2x monthly use with a minimum of (only conventional)	R 641.76	R 612.37	4.80
{f}	Deposit business: 2x monthly use with a minimum of	R 2 292.81	R 2 187.80	4.80
{g}	Availability fee per stand not making use of the	R 76.24	R 72.75	4.80

(h) supply from the network
(basic)
ELECTRICAL TARIFFS

Domestic indigent	prepaid			
Block 1 (0-50) kwh	R 143.65	R 125.36		14.59
Block 2 (51-350) kwh	R 177.11	R 154.56		14.59
Block 3 (351-600) kwh	R 250.50	R 218.60		14.59
Block 4 (>600)	R 307.10	R 268.00		14.59
Domestic prepaid and conventional				
Block 1 (0-50) kwh	R 144.20	R 125.84		14.59
Block 2 (51-350) kwh	R 185.39	R 161.79		14.59
Block 3 (351-600) kwh	R 257.23	R 224.48		14.59
Block 4 (>600)	R 307.10	R 268.00		14.59
COMMERCIAL				
Energy charge	R 223.78	R195.28		14.59
Monthly basic charge	R 1 452.60	R 1267.65		14.59
COMMERCIAL PREPAID				
Energy charge	R 312.32	R 272.55		14.59
INDUSTRIAL				
Energy charge	R 141.55	R 123.53		14.59
Demand charge	R 314.35	R 274.33		14.59
Monthly basic charge	R 7903.39	R 6 897.10		14.59
PENALTIES FOR ELECTRICITY ILLEGAL CONNECTIONS OR METER TAMPERING				
Households	R 12 441.67	R10 857.55		4.80
Mokgoba	R 7 465.00	R 6 514.53		4.80
Businesses	R 24 883.33	R 21 715.10		4.80
Second time offenders will pay double the penalty fee ie.				
Households	R 24 883.33	R 21 715.10		4.80
Mokgoba	R 14 930.00	R 13 029.06		4.80
Businesses	R 49 766.67	R 43 430.20		4.80

1.4.6 Other Annual Tariffs

Consumer types are typically charged different tariffs in keeping with tariffs requirement. The municipality made determination for different tariffs to ensure that is residents' benefits on the utilisation of goods and services.

**OTHER ANNUAL_TARIFFS 2022/2023
DETAILS**

	Final Tariff 2022/2023	Approved Tariff 2020/2021	% increase
Fines for the late returning of books and other items borrowed. 30 per book or item per week or part thereof			
Membership fees per member per year:			
1. Adults	R 52.40	R50.00	
2.Learners	R 15.72	R15.00	
3.Senior citizens	R 31.44	R30.00	
Membership fees for household per year	R 115.28	R110.00	
Change of tenants	R 233.26	R222.58	4.80

LAND USE APPLICATION FEES

1. Establishment of a township			
2. Extention of the boundries of a township establishment application			
3. Amendment of a township establishment application			
(a) If already approved by the Municipality	R 3 33.31	R 3 199.72	4.80
(b) if not already approved by the municipality	R 2 011.76	R 1 919.61	4.80
4. Division of township	R 3 353.31	R 3 199.72	4.80
5. Phasing/cancellation of approved layout plan	R 2 681.96	R 2 559.12	4.80
6. Rezoning			
(a) One erf			
(b) Every erf Additional to the first Erf Per Erf	R 1 341.55	R 1 280.11	4.80
7. Removal, amendment, suspension of a restrictive or obsolete condition, servitude or reservation against the tittle of the land	R 2 681.96	R 2 559.12	4.80
8. Amendment or cancellation of a general plan of a township	R 2 681.96	R 2 559.12	4.80
9. Division of farm land	R 670.21	R 639.51	4.80
10. Subdivision of land			
(a) For first five erven	R 2 011.76	R 1 919.61	4.80
(b) Every erf additional to the first erven per erf	R 469.94	R 448.42	4.80
11. Consolidation of land	R 2 011.76	R 1 919.61	4.80
12. Subdivision and consolidation	R 2 146.03	R 2 047.73	4.80
13. Permanent closure of a public place Per closure	R 4 693.72	R 4 478.74	4.80

14. Development on communal land	R 670.21	R 639.51	4.80
15. Consent use	R 804.47	R 767.63	4.80
16. The removal, amendment or the suspension of a restrictive title condition relating to the density of residential development	R 1 341.55	R 1 280.11	4.80
17. Temporary use: prospecting rights	R 2 011.76	R 1 919.61	4.80
18. Temporary use: other rights	R 1 341.55	R 1 280.11	4.80
19. Material amendments to original application prior to approval/refusal	R 2 011.76	R 1 919.61	4.80
20. Building plans: R3.00 Per square meter area with a minimum of:	R 499.3	R 476.65	4.80
MISCELLANEOUS FEES			
1. Erection of a second dwelling	R 2 011.76	R 1 919.61	4.80
2. Relaxation of height restriction	R 1 341.55	R 1 280.11	4.80
3. Relaxation of building line			
4. Consideration of site development plan	R 1 341.55	R 1 280.11	4.80
5. Extension of validity period of approval	R 670.21	R 639.51	4.80
6. CERTIFICATES			
(a) Zoning certificate per certificate	R 67.13	64.06	4.80
(b) Any other certificate per certificate	R 402.81	R 384.36	4.80
{c} Valuation certificate	R 33.00	R 31.49	4.80
(d) Clearance certificate for property	R 147.92	R 141.15	4.80
7. Public hearing	R 2 011.76	R 1 919.61	4.80
8. Site inspection	R 469.94	R 448.42	4.80
9. Reason for decision of municipal tribunal, land development officer or appeal authority	R 1 207.28	R 1 151.99	4.80
10.Re- issuing of notice of approval of any application	R 670.21	R 639.51	4.80
11. Deed search and copy of title deed	R 603.07	R 575.45	4.80
12.Public:			
(a) Public Notice and advertisements in the legal section of the paper.			
(b) Public Notice and advertisements in the body of the paper			
13. Way leave application (application to determine where the councils; services area located, or a specific area where new services are to be installed.			
14. Intervener status	R 700.37	R 668.29	4.80
15. Appeal fees	R 1 051.14	R 1 003.00	4.80
16. Any other application not provided for elsewhere in this schedule of fees.	R 770.52	R 735.23	4.80
17. Contravention of Greater Letaba Land Use management scheme, 2008	R 0.00	R 0.00	

COPIES

1. Spatial development framework

(a) Hard copy	Per region	R 392.39	R 374.42	4.80
(b) In electronic format	Per region	R 140.31	R 133.88	4.80
2. Copy of Land Use Scheme or Town Planning Scheme (Scheme Book)		R 1 401.92	R 1 337.71	4.80
3. Scheme Regulations		R 420.93	R 401.65	4.80
4. Search fees		R 210.47	R 200.83	4.80
5. Diagrams		R 280.62	R 267.77	4.80
6. Decision of Municipal Planning Tribunal or Land Development Officer		R 280.62	R 267.77	4.80

EQUIPMENTS RENTAL (Driver included)

TLB. Per hour or part thereof.		R 980.99	R 936.06	4.80
Tipper. Per hour or part thereof		R 791.92	R 755.65	4.80
Tractor and trailer. Per hour or part thereof.		R 467.31	R 445.90	4.80
Tractor and slurry puppy & grass cutting. Per hour or part thereof		R 768.14	R 732.96	4.80
Pedestrian roller		R 829.97	R 791.96	4.80
Suction tanker and driver per hour outside Duiwelskloof including travelling time		R 782.41	R 746.58	4.80
Graders per day		R 9 097.62	R 8 680.93	4.80
Water tanker per litre		R 0.83	R 0.79	4.80
Water tanker travelling per KM		R 28.54	R 27.23	4.80
Crane hire per hour		R 829.97	R 791.96	4.80
Crane truck per hour		R 28.54	R 27.23	4.80
Lowbed truck per KM		R 46.37	R 44.25	4.80
Bulldozer per hour		R 1 148.65	R 1 096.04	4.80

RENTING OF MUNICIPAL HOUSES, SWIMMING POOL AND MARKET STALLS

<u>Rental of Rotaba homes per month or part thereof</u>		R 1 303.25	R 1 243.56	4.80
<u>Rental of Mabel Street House</u>		R 3 145.33	R 3 001.27	4.80
<u>Rental of Vrystat House</u>		R 2 516.26	R 2 401.01	4.80
<u>Caravan Park - Two-bedroom Chalet</u>		R 2 516.26	R 2 401.01	4.80
<u>One-bedroom Chalet</u>		R 1 258.13	R 3 001.27	4.80
<u>Caravan Park House</u>		R 3 145.33	R 3 001.27	4.80
<u>Market stalls</u>		R125.57	R 119.82	4.80

COMMUNITY HALLS

Hiring of a community halls per day or part thereof		R 667.00	R 636.77	4.80
Hiring of a community hall for festivals		R 4 511.00	R 4 304.48	4.80

STADIUMS

<u>Stadium bookings for professional games (e.g PSL and First Division)</u>			4.80
<u>Stadium bookings for festivals</u>	R 6 343.28	R 6 052.75	4.80
Tournaments per day	R 422.17	R 402.83	4.80
Lower divisions league games (including Vodacom league)	R 501.10	R 477.15	4.80
Religious/Cultural & NGO	R 333.67	R 318.39	4.80
School associations games per event	R 827.59	R 789.69	4.80

ABATTOR CHARGES

Amount per Carcass per household	R 135.14	R 128.95	4.80
Butchery slaughtering regularly using facility	R 1 270.09	R 1 211.92	4.80

COMMUNITY & SOCIAL SERVICES/CEMETERIES & CREMATORIIUMS**BURIAL FEES**

Modjadjiskloof cementries	R 955.56	R 911.79	4.80
Mokgoba	R 955.56	R 911.79	4.80

BURIAL FEES AT NEW CEMETRY GA-KGAPANE PLATLAND FARM

Burial site for adults	R 1 554.72	R 1 485.97	4.80
Burial site for children	R 1 033.29	R 985.97	4.80

CLEANING OF VACANT STANDS

Cleaning of stands per stand.	R 2 305.78	R 2 200.17	4.80
Removal of garden or bulk refuse per load or part thereof	R 477.18	R 455.33	4.80

EXECUTIVE & COUNCIL

Photocopies			
Per A4 copy, paper excluded	R 1.68	R 1.60	4.80
Per A3 copy, Paper excluded	R 2.51	R 2.40	4.80
Per A4 copy, paper included	R 2.99	R 2.85	4.80
Per A3 copy, Paper included	R 4.19	R 3.99	4.80
Furnishing of information per part or part thereof	R 151.96	R 145.00	4.80
Voter roll per roll	R 850.36	R 820.00	4.80

ALL THE ABOVE-MENTIONED CHARGES MUST BE ACCOMPANIED BY SECURITY FEE OF R500-00 THAT IS REFUNDABLE IF THERE ARE NO DAMAGES TO THE STADIUM.

LICENSING TARIFFS

Posters

An amount of R22.00 per advertisement of which R5.00 is refundable

Election posters

A once only R249.00 per candidate/applicant per election, as well as an amount of R400.00 per applicant candidate per election which is not refundable. Total amount of R6600.00

Pamphlets

Amount of R270.00 per applicant which is not refundable

Advertisement - Properties

Amount of R570.00 per calendar year or any part thereof

Banners

An amount of R272.00 of which R125-00 is refundable

SALE OF TENDERS

1. Tenders

Thresholds:

From R200 000 to R350 000	R 350.78	R 334.71	4.80
From R350 001 to R500 000	R 491.09	R 468.60	4.80
From R500 001 to R1 999 999	R 560.05	R 534304	4.80
From R 2 000 000 to R 4 999 999	R 700.37	R 668.29	4.80
From R5 000 000 to R9 999 999	R 840.68	R 802.17	4.80
From R10 000 000 upwards	R 980.99	R 936.06	4.80

2. Formal Quotations:

R30 000 to R199 999	R 210.47	R 200.83	4.80
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1.5. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2022/23 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital projects are identified and plans have being put in place reduce the reduce backlog of service delivery;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no budget no spending.
- The following table is a high-level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

Table 3: Summary of operating expenditure by standard classification item

R thousand	Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	Expenditure By Type											
	Employee related costs	2	–	109,247	122,842	126,291	121,560	121,560	67,280	127,139	132,737	138,710
	Remuneration of councillors		–	22,714	23,655	26,902	26,902	26,902	19,600	28,193	29,433	30,758
	Debt impairment	3	–	18,746	60,393	1,120	(0)	(0)	–	2,000	2,088	2,182
	Depreciation & asset impairment	2	–	33,832	36,906	13,507	13,951	13,951	26,666	14,620	15,264	15,950
	Finance charges		–	334	364	–	–	–	–	–	–	–
	Bulk purchases - electricity	2	–	20,094	14,912	18,109	17,868	17,868	11,355	18,725	19,549	20,429
	Inventory consumed	8	–	11,461	12,103	14,460	9,949	9,949	6,059	10,824	11,300	11,809
	Contracted services		–	56,446	87,462	79,219	88,532	88,532	58,205	97,191	98,699	102,779
	Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
	Other expenditure	4, 5	–	60,568	70,012	81,984	65,519	65,519	44,028	72,558	75,726	79,111
	Losses		–	–	–	–	–	–	–	–	–	–
	Total Expenditure		–	333,442	428,648	361,591	344,278	344,278	233,192	371,251	384,796	401,728

The budgeted allocation for employee related costs for the 2022/23 financial year totals R 127 million, which equals 34 per cent of the total operating expenditure. The CPI for 2022/23 which is 4,8 has been taken into consideration when preparing the draft budget; the municipality has provided an increase of salaries and wages for 2022/23 with an estimation of 4,04 percent increase in relation circular 108 of the MFMA. The South African Local Government The municipality has taken into consideration for vacant and critical positions and therefore made a budget provision for all the positions.

A preliminary amount of R127 million for employee related costs has been included in the 2022/23 MTREF. 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 considered in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate and the Debt Write-off Policy of the Municipality. For the 2022/23 financial year this amount equates to R2 million, R2 million and R2,1 million financial years respectively. While this expenditure is 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, which is estimated to be R14 million, R15 million and R15 million respectively.

Bulk purchases are directly informed by pre-paid electricity and provision of free basic electricity. The indigents register has not been updated due to challenges of indigent policy and the price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures exclude distribution losses.

Inventory consumed comprises of amongst others the materials for maintenance, cleaning materials, and printing and stationery. The appropriation for this group of expenditure totals to R 10 million for 2022/23 and equals 3 per cent of the total operating expenditure.

There is part of repairs and maintenance that is done in house and others through contracted services. The budget for repairs and maintenance is therefore used for the purchasing of materials and payments to service providers. The municipality budgeted 9,2 million for 2022/23 for repairs and maintenance. The budget is 9% of the pre-audit balance of property plant and equipment which is above the norm of 8%. The municipality mostly purchase material when work is done by the internal staff and on the other hand when the critical maintenance that require technical expertise is done through contracted services.

Contracted services comprises of many services such as caterings, supply and delivery, consultants, and contractors to render the services that the municipality has no capacity to provide. In the 2022/23 financial year budget for contracted services is R97 million, which relates to the rendering of caterings, supply & delivery of goods and services, printing and stationery, planning and designs, construction works, licenses, security services, financial systems, payroll system, assets register, etc.

Other expenditure comprises various line items relating to the daily operations of the municipality. The total other expenditure is estimated to R72 million in 2022/23 and R75 million and R 79 million respectively.

1.6. CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 4: 2022/23 Medium-term capital budget per vote

LIM332 Greater Letaba - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										

Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	1,200	-	-	-
Vote 2 - Finance and Administration		- 2,409	724	400	530	530	259	5,750	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Public Safety		- 27,584	20,704	30,974	32,033	32,033	20,088	6,427	16,000	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		- 51,541	67,368	68,320	91,561	91,561	54,274	131,865	106,183	89,064	-
Vote 9 - Energy Sources		- 6,687	(455)	13,900	3,310	3,310	1,391	10,500	27,600	25,300	-
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	1,135	2,650	4,322	4,322	2,489	-	-	33,057	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		- 88,221	89,476	116,244	131,756	131,756	78,501	155,742	149,783	147,421	-
Total Capital Expenditure - Vote		- 88,221	89,476	116,244	131,756	131,756	78,501	155,742	149,783	147,421	-
Capital Expenditure - Functional											
Governance and administration		- 2,409	724	400	530	530	259	6,950	-	-	-
Executive and council Finance and		-	-	-	-	-	-	1,200	-	-	-
administration Internal audit		- 2,409	724	400	530	530	259	5,750	-	-	-
Community and public safety		- 27,584	20,704	30,974	32,033	32,033	20,088	6,427	16,000	-	-
Community and social services Sport		- 10,123	29,558	28,824	31,546	31,546	20,088	6,427	16,000	-	-
and recreation		- 17,462	(8,854)	2,150	487	487	(0)	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		- 51,541	67,368	68,320	91,561	91,561	54,274	131,865	106,183	89,064	-
Planning and development Road		-	-	-	-	-	-	-	-	-	-
transport Environmental		- 51,541	67,368	68,320	91,561	91,561	54,274	131,865	106,183	89,064	-
protection		-	-	-	-	-	-	-	-	-	-
Trading services Energy		- 51,541	67,368	68,320	91,561	91,561	54,274	131,865	106,183	89,064	-
sources Water		- 6,687	680	16,550	7,632	7,632	3,880	10,500	27,600	58,357	-
management		- 6,687	(455)	13,900	3,310	3,310	1,391	10,500	27,600	25,300	-
Waste water management Waste		-	-	-	-	-	-	-	-	-	-
management		-	1,135	2,650	4,322	4,322	2,489	-	-	33,057	-
Other		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	- 88,221	89,476	116,244	131,756	131,756	78,501	155,742	149,783	147,421	-
Funded by:											
National Government		-	(0) 46,924	67,794	57,794	57,794	30,042	62,422	65,183	68,121	-
Provincial Government District		-	-	-	-	-	-	-	-	-	-
Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary		-	-	-	-	-	-	-	-	-	-
allocations) (National / Provincial Departmental		-	-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	-
Enterprises, Public Corporations, Higher Educational		-	-	-	-	-	-	-	-	-	-
Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	(0) 46,924	67,794	57,794	57,794	30,042	62,422	65,183	68,121	-
Borrowing	6	-	(1,211)	-	-	-	-	-	-	-	-
Internally generated funds		-	(10) 45,868	48,450	73,962	73,962	48,732	93,320	84,600	79,300	-
Total Capital Funding	7	-	(10) 91,580	116,244	131,756	131,756	78,774	155,742	149,783	147,421	-

The municipality has budgeted capital projects of R155 million in 2022/23 financial period, R149 million and R147 million in the outer years respectively. Road transport received the highest allocation with a budget of R131 million followed by energy sources with a budget of R10 million. The project will be funded from own revenue and municipal infrastructure grant. The municipality has got small revenue base; therefore, the multiyear projects are estimated to be completed by the period of three years.

• **Table 5 - Budgeted Financial Performance (revenue and expenditure by function classification)**

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

Functional Classification Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1 2023/24	Budget Year +2
Revenue - Functional										
<i>Governance and administration</i>		-	371,726	447,952	420,627	420,627	420,627	459,599	474,938	502,591
Executive and council Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	371,726	447,952	420,627	420,627	420,627	459,599	474,938	502,591
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	31	216	216	216	226	236	247
Sport and recreation		-	-	7	86	86	86	90	94	98
P		-	-	24	130	130	130	136	142	148
u		-	14,572	18,336	18,866	18,866	18,866	19,772	20,641	21,570
b		-	-	9	42	42	42	44	45	47
l		-	14,572	18,326	18,824	18,824	18,824	19,728	20,596	21,523
c		-	-	-	-	-	-	-	-	-
s		-	25,582	27,195	38,188	38,188	38,188	49,933	52,464	52,508
a		-	20,395	22,402	33,748	33,748	33,748	45,280	47,607	47,432
f		-	323	0	-	-	-	-	-	-
e		-	0	0	-	-	-	-	-	-
t	4	-	4,864	4,794	4,439	4,439	4,439	4,652	4,857	5,076
y		-	-	-	-	-	-	-	-	-
H		-	-	-	-	-	-	-	-	-
o		-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	411,880	493,514	477,896	477,896	477,896	529,529	548,279	576,91
Expenditure - Functional										
<i>Governance and administration</i>		-	175,762	190,810	200,597	174,118	174,118	185,368	193,458	202,097
Executive and council Finance and administration		-	70,977	51,428	61,699	54,786	54,786	58,382	60,951	63,694
Internal audit		-	102,624	136,398	135,920	116,466	116,466	123,965	129,354	135,107
<i>Community and public safety</i>		-	2,161	2,984	2,979	2,866	2,866	3,021	3,154	3,295
Community and social services		-	24,291	21,471	34,930	41,109	41,109	39,910	41,666	43,541
Sport and recreation		-	8,953	6,810	11,137	16,624	16,624	14,989	15,649	16,353
P		-	14,434	13,704	22,930	23,641	23,641	24,026	25,083	26,212
u		-	-	-	-	-	-	-	-	-
b		-	904	957	863	844	844	895	935	977
l		-	-	-	-	-	-	-	-	-
c		-	85,931	104,120	78,649	74,956	74,956	79,565	80,008	85,609
s		-	17,651	18,146	25,934	23,280	23,280	22,881	23,889	24,964
a		-	68,280	85,973	52,715	51,676	51,676	56,684	56,119	60,645
f		-	-	-	-	-	-	-	-	-
e		-	47,457	112,247	47,415	54,096	54,096	66,407	69,663	70,481
t		-	41,068	52,017	38,598	46,745	46,745	58,764	61,684	62,142
y	4	-	(0)	(173)	-	-	-	-	-	-
H		-	736	576	945	949	949	994	1,038	1,085
o		-	5,653	59,828	7,872	6,402	6,402	6,649	6,942	7,254
Total Expenditure - Functional	3	-	333,442	428,648	361,591	344,278	344,278	371,251	384,796	401,72
Surplus/(Deficit) for the year		-	78,438	64,866	116,305	133,618	133,618	158,279	163,483	175,18

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by function classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per function classification. The modified function classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these

functional areas which enables the National Treasury to compile 'whole of government' reports.

2. The Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4. The total revenue on the Table A4 separated the transfer recognized capital as single item.
3. Note that as a general principle the revenues for trading services should exceed their expenditures. Table 2 shows the surplus of R158 million for 2022/23 financial period, this prove that the municipality follows section 18 of the MFMA. The municipality shows a surplus for all perspective years.

Table 6 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcom	Audited Outcom	Audited Outcom	Original Budget	Adjusted Budget	Full Year	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	372,048	447,952	420,627	420,627	420,627	459,599	474,938	502,591
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Public Safety		-	-	31	216	216	216	226	236	247
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-
Vote 7 - Planning and development		-	-	9	42	42	42	44	45	47
Vote 8 - Road Transport		-	14,572	18,326	18,824	18,824	18,824	19,728	20,596	21,523
Vote 9 - Energy Sources		-	20,395	22,402	33,748	33,748	33,748	45,280	47,607	47,432
Vote 10 - Waste Water Management		-	0	0	-	-	-	-	-	-
Vote 11 - Waste Management		-	4,864	4,794	4,439	4,439	4,439	4,652	4,857	5,076
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	411,880	493,514	477,896	477,896	477,896	529,529	548,279	576,916
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		-	70,977	51,428	61,699	54,786	54,786	58,382	60,951	63,694
Vote 2 - Finance and Administration		-	102,624	136,225	135,920	116,466	116,466	123,965	129,354	135,107
Vote 3 - Internal Audit		-	2,161	2,984	2,979	2,866	2,866	3,021	3,154	3,295
Vote 4 - Community and Public Safety		-	23,387	20,514	34,067	40,265	40,265	39,015	40,732	42,564
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	904	957	863	844	844	895	935	977
Vote 7 - Planning and development		-	17,651	18,146	25,934	23,280	23,280	22,881	23,889	24,964
Vote 8 - Road Transport		-	68,280	85,973	52,715	51,676	51,676	56,684	56,119	60,645
Vote 9 - Energy Sources		-	41,068	52,017	38,598	46,745	46,745	58,764	61,684	62,142
Vote 10 - Waste Water Management		-	736	576	945	949	949	994	1,038	1,085
Vote 11 - Waste Management		-	5,653	59,828	7,872	6,402	6,402	6,649	6,942	7,254
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	333,442	428,648	361,591	344,278	344,278	371,251	384,796	401,728
Surplus/(Deficit) for the year	2	-	78,439	64,866	116,305	133,618	133,618	158,279	163,483	175,188

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 7 - Budgeted Financial Performance (revenue and expenditure)
Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
R thousand											
Revenue By Source											
Property rates	2	-	14,713	13,831	24,522	24,522	24,522	6,860	25,700	26,830	28,038
Service charges - electricity revenue	2	-	15,395	16,493	19,090	19,090	19,090	7,495	20,006	20,887	21,826
Service charges - water revenue	2	-	330	3	-	-	-	(140)	-	-	-
Service charges - sanitation revenue	2	-	1	1	-	-	-	2	-	-	-
Service charges - refuse revenue	2	-	4,866	4,794	4,439	4,439	4,439	2,757	4,652	4,857	5,076
Rental of facilities and equipment		-	81	226	142	142	142	56	148	155	162
Interest earned - external investments		-	1,711	1,829	1,274	1,274	1,274	810	1,308	1,365	1,427
Interest earned - outstanding debtors		-	10,258	6,072	5,753	5,753	5,753	1,396	6,030	6,295	6,578
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	460	184	49	49	49	17	51	53	56
Licences and permits		-	12,190	16,544	16,208	16,208	16,208	12,944	16,986	17,734	18,532
Agency services		-	2,010	3,398	15,067	15,067	15,067	1,005	13,790	4,843	3,571
Transfers and subsidies		-	293,510	364,887	321,708	331,708	331,708	243,227	373,968	395,412	418,655
Other revenue	2	-	1,049	2,536	1,849	1,849	1,849	414	4,468	4,664	4,874
Gains		-	-	(810)	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	356,576	429,987	410,102	420,102	420,102	276,841	467,108	483,096	508,795
Expenditure By Type											
Employee related costs	2	-	109,247	122,842	126,291	121,560	121,560	67,280	127,139	132,737	138,710
Remuneration of councillors		-	22,714	23,655	26,902	26,902	26,902	19,600	28,193	29,433	30,758
Debt impairment	3	-	18,746	60,393	1,120	(0)	(0)	-	2,000	2,088	2,182
Depreciation & asset impairment	2	-	33,832	36,906	13,507	13,951	13,951	26,666	14,620	15,264	15,950
Finance charges		-	334	364	-	-	-	-	-	-	-
Bulk purchases - electricity	2	-	20,094	14,912	18,109	17,868	17,868	11,355	18,725	19,549	20,429
Inventory consumed	8	-	11,461	12,103	14,460	9,949	9,949	6,059	10,824	11,300	11,809
Contracted services		-	56,446	87,462	79,219	88,532	88,532	58,205	97,191	98,699	102,779
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	60,568	70,012	81,984	65,519	65,519	44,028	72,558	75,726	79,111
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	333,442	428,648	361,591	344,278	344,278	233,192	371,251	384,796	401,728
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary (National / Provincial and District)		-	23,134	1,339	48,511	75,823	75,823	43,649	95,857	98,299	107,067
Transfers and subsidies - capital (monetary (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
		-	78,439	64,866	116,305	133,618	133,618	72,600	158,279	163,483	175,188
Surplus/(Deficit) after capital transfers & Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	78,439	64,866	116,305	133,618	133,618	72,600	158,279	163,483	175,188
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	78,439	64,866	116,305	133,618	133,618	72,600	158,279	163,483	175,188
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		-	78,439	64,866	116,305	133,618	133,618	72,600	158,279	163,483	175,188

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue excluding capital transfer and contributions is R410 million in 2021/22 and increased to R467 million, R483 million and R508 million for each of the respective years of the MTREF. This shows increase of 12 per cent for

2022/23, increase of 3 per cent in 2023/24 and decrease of 5 per cent in 2024/25 outer year.

2. Revenue to be generated from property rates in the 2022/23 financial year is R25 million and increases to R26 million and R28 million for the two outer years, therefore property rates remain a significant funding source for the municipality. The tariff increases have been factored in at 4,8 per cent, 4 per cent and 4 per cent for each of the respective financial years of the MTREF.
3. Other revenue like town planning fees, building plans, clearance certificates, etc. constitutes 1 percent of the total operating revenue. Other revenue for 2022/23 financial period amounts to R4,4 million, R4,6 million and R4,8 million for the three years respectively. Transfers recognized – operating includes the local government equitable share, finance management grants and expanded public works programme.
4. Bulk purchases increased by 4,2 percent for 2022/23 to 2023/24 period escalating from R18 million to R19 million for each of the respective years.
1. Employee related costs and contracted services are the main cost drivers within the municipality.

Table 8 - Budgeted Capital Expenditure by vote, standard classification and Funding source

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	1,200	-	-
Vote 2 - Finance and Administration		- 2,409	-	724	400	530	530	259	5,750	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Public Safety		- 27,584	-	20,704	30,974	32,033	32,033	20,088	6,427	16,000	-
Vote 5 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		- 51,541	-	67,368	68,320	91,561	91,561	54,274	131,865	106,183	89,064
Vote 9 - Energy Sources		- 6,687	-	(455)	13,900	3,310	3,310	1,391	10,500	27,600	25,300
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
		-	- 1,135	-	2,650	4,322	4,322	2,489	-	-	33,057

Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		- 88,221	89,476	116,244	131,756	131,756	78,501	155,742	149,783	147,421		
Capital Expenditure - Functional												
Governance and administration		- 2,409	724	400	530	530	259	6,950	-	-	-	-
Executive and council Finance and administration Internal audit		-	-	-	-	-	-	1,200	-	-	-	-
		- 2,409	724	400	530	530	259	5,750	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-
Community and social services Sport and recreation		- 27,584	20,704	30,974	32,033	32,033	20,088	6,427	16,000	-	-	-
Public safety		- 10,123	29,558	28,824	31,546	31,546	20,088	6,427	16,000	-	-	-
Housing Health		- 17,462	(8,854)	2,150	487	487	(0)	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-
Planning and development Road transport Environmental protection		- 51,541	67,368	68,320	91,561	91,561	54,274	131,865	106,183	89,064	-	-
Trading services Energy sources Water management		- 51,541	67,368	68,320	91,561	91,561	54,274	131,865	106,183	89,064	-	-
Waste water management Waste management		- 6,687	680	16,550	7,632	7,632	3,880	10,500	27,600	58,357	-	-
		- 6,687	(455)	13,900	3,310	3,310	1,391	10,500	27,600	25,300	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
		-	1,135	2,650	4,322	4,322	2,489	-	-	-	33,057	-
		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	- 88,221	89,476	116,244	131,756	131,756	78,501	155,742	149,783	147,421		
Funded by:												
National Government		-	(0) 46,924	67,794	57,794	57,794	30,042	62,422	65,183	68,121	-	-
Provincial Government District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	(0) 46,924	67,794	57,794	57,794	30,042	62,422	65,183	68,121	-	-
Borrowing	6	-	(1,211)	-	-	-	-	-	-	-	-	-
Internally generated funds		-	(10) 45,868	48,450	73,962	73,962	48,732	93,320	84,600	79,300	-	-
Total Capital Funding	7	-	(10) 91,580	116,244	131,756	131,756	78,774	155,742	149,783	147,421		

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to capital expenditure, an amount of R155 million has been allocated for capital expenditure.
3. The capital programme is funded from national and provincial grants and transfers and internally generated funds from both current year surplus and cash-backed accumulated surplus. Capital funds transfers for 2022/23 by national government is R62 million and own funding (internally generated funds) amounts to R93 million.

Table A6 Budgeted Financial Position

Table 9 - Budgeted Financial Position Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	1 634	14 713	14 713	14 713	2 952	17 990	18 781	19 626
Service charges		-	-	9 284	14 117	14 117	14 117	15 235	17 261	18 020	18 831
Other revenue		-	-	15 250	33 000	39 795	39 795	26 097	38 316	30 448	30 329
Transfers and Subsidies - Operational	1	-	-	226 994	321 708	331 708	331 708	317 687	373 968	395 412	418 655
Transfers and Subsidies - Capital	1	-	-	30 297	67 794	57 794	57 794	72 006	62 422	65 183	68 121
Interest		-	-	623	1 274	1 274	1 274	688	1 308	1 365	1 427
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(246 093)	(30 208)	(345 000)	(330 323)	(330 323)	(166 264)	(354 637)	(367 445)	(383 596)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	(246 093)	253 875	107 607	129 080	129 080	268 402	156 627	161 765	173 393
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(87 845)	(104 000)	(131 756)	(131 756)	(107 428)	(155 742)	(149 783)	(147 421)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(87 845)	(104 000)	(131 756)	(131 756)	(107 428)	(155 742)	(149 783)	(147 421)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	3	-	-	-	(2)	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	3	-	-	-	(2)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	(246 093)	166 033	3 607	(2 677)	(2 677)	160 973	885	11 982	25 973
Cash/cash equivalents at the year begin:	2	-	-	912	912	4 184	4 184	4 184	1 508	2 393	14 376
Cash/cash equivalents at the year end:	2	-	(246 093)	166 945	4 519	1 508	1 508	165 157	2 393	14 376	40 348

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets liabilities as "accounting" community wealth. The order of items within each group illustrates items in order of liquidity, i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the budgeted financial performance or the capital budget will inevitably impact on the budgeted financial position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the

budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 10 - Budgeted Cash Flow Statement
Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	1 634	14 713	14 713	14 713	2 952	17 990	18 781	19 626
Service charges		-	-	9 284	14 117	14 117	14 117	15 235	17 261	18 020	18 831
Other revenue		-	-	15 250	33 000	39 795	39 795	26 097	38 316	30 448	30 329
Transfers and Subsidies - Operational	1	-	-	226 994	321 708	331 708	331 708	317 687	373 968	395 412	418 655
Transfers and Subsidies - Capital	1	-	-	30 297	67 794	57 794	57 794	72 006	62 422	65 183	68 121
Interest		-	-	623	1 274	1 274	1 274	688	1 308	1 365	1 427
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(246 093)	(30 208)	(345 000)	(330 323)	(330 323)	(166 264)	(354 637)	(367 445)	(383 596)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	(246 093)	253 875	107 607	129 080	129 080	268 402	156 627	161 765	173 393
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(87 845)	(104 000)	(131 756)	(131 756)	(107 428)	(155 742)	(149 783)	(147 421)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(87 845)	(104 000)	(131 756)	(131 756)	(107 428)	(155 742)	(149 783)	(147 421)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	3	-	-	-	(2)	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	3	-	-	-	(2)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	(246 093)	166 033	3 607	(2 677)	(2 677)	160 973	885	11 982	25 973
Cash/cash equivalents at the year begin:	2	-	-	912	912	4 184	4 184	4 184	1 508	2 393	14 376
Cash/cash equivalents at the year end:	2	-	(246 093)	166 945	4 519	1 508	1 508	165 157	2 393	14 376	40 348

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2022/23 MTREF has been informed by the planning principle of ensuring adequate revenue over the medium-term.
4. The municipality has a positive cash equivalent at year end with an amount of R2 million for 2022/23 and R14 and R40 million for each of respective years. The cash flow statement shows the positive movement from 2022/23 to 2024/2025 financial years.

Table 11 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1		(246 093)	166 945	4 519	1 508	1 508	165 157	2 393	14 376	40 348
Other current investments > 90 days			247 004	(162 761)	(0)	(0)	(0)	(73 632)		(0)	(0)
Non current assets - Investments	1		-	-	-	-	-	-	-	-	-
Cash and investments available:			912	4 184	4 519	1 508	1 508	91 525	2 393	14 376	40 348
Application of cash and investments											
Unspent conditional transfers			35	88	0	(0)	0	38 850	(0)	(0)	(0)
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3		80 207	54 706	(46 082)	1 966	(77 766)	(19 394)	(11 687)	11 655	(12 575)
Other provisions											
Long term investments committed	4										
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:			80 242	54 794	(46 082)	(1 966)	(77 766)	19 456	(11 687)	(11 655)	(12 575)
Surplus(shortfall)			(79 330)	(50 610)	50 601	3 473	79 274	72 068	14 081	26 031	52 923

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
4. Considering requirements in terms of section 18 of the MFMA, it indicates that the municipality is funded for the projects by having the positive cash flow.

As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF, the end objective of the medium-term revenue expenditure framework was to ensure the budget is funded as aligned to section 18 of the MFMA.

Table 12- Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
CAPITAL EXPENDITURE										
Total New Assets	1	-	83,243	80,702	108,844	116,138	116,138	147,842	140,583	105,364
<i>Roads Infrastructure</i>		-	50,074	53,583	57,270	78,344	78,344	106,495	90,183	62,064
<i>Storm water Infrastructure</i>		-	-	687	1,500	2,500	2,500	9,000	8,000	18,000
<i>Electrical Infrastructure</i>		-	3,230	454	11,940	2,350	2,350	6,600	26,400	25,300
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	53,304	54,723	70,710	83,194	83,194	122,095	124,583	105,364
<i>Coastal Infrastructure</i>		-	1,092	1,670	3,600	880	880	2,000	16,000	-
<i>Information and Communication Infrastructure</i>		-	26,723	15,891	23,774	20,643	20,643	4,427	-	-
Infrastructure		-	27,815	17,560	27,374	21,523	21,523	6,427	16,000	-
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-

Community	-	-	-	-	-	-	-	-	-
Assets	-	578	395	110	10	10	2,000	-	-
Heritage	-	-	-	-	-	-	-	-	-
Assets	-	578	395	110	10	10	2,000	-	-
Revenue	-	-	-	-	-	-	-	-	-
Generating Non-revenue Generating	-	-	-	-	-	-	1,150	-	-
Investment	-	(0)	-	-	-	-	1,150	-	-
properties	-	55	1,892	200	350	350	2,000	-	-
Operational	-	30	(469)	100	-	-	2,150	-	-
Buildings	-	561	9,326	350	530	530	1,300	-	-
Housing	-	900	(2,72)	10,000	10,531	10,531	10,720	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and	-	-	-	-	-	-	-	-	-
Rights Intangible	-	336	3,413	550	950	950	7,900	9,200	9,000
Assets Computer	-	-	3,123	-	-	-	6,000	8,000	9,000
Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office	-	336	290	550	950	950	1,900	1,200	-
Equipment Machinery and	-	-	-	-	-	-	-	-	-
Equipment Transport	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Roads Infrastructure	-	336	3,413	550	950	950	7,900	9,200	9,000
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Electrical	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure Solid	-	-	-	-	-	-	-	-	-
Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-
Heritage	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-
Revenue	-	-	-	-	-	-	-	-	-
Generating Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment	-	4,641	5,361	6,850	14,668	14,668	-	-	33,057
properties	-	1,131	1,506	750	1,250	1,250	-	-	-
Operational	-	-	-	-	-	-	-	-	-
Buildings	-	3,457	394	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	2,500	2,500	2,500	-	-	33,057
Licences and	-	-	-	-	-	-	-	-	-
Rights Intangible	-	-	-	-	-	-	-	-	-
Assets Computer	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office	-	4,588	1,900	3,250	3,750	3,750	-	-	33,057
Equipment Machinery and	-	39	3,461	3,600	10,590	10,590	-	-	-
Equipment Transport	-	-	-	-	-	-	-	-	-
Assets	-	39	3,461	3,600	10,590	10,590	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water	-	15	-	-	328	328	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
R thousand										
Other Assets		-	15	-	-	328	328	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and		-	-	-	-	-	-	-	-	-
Rights Intangible		-	-	-	-	-	-	-	-	-
Assets		-	-	-	-	-	-	-	-	-
Computer		-	-	-	-	-	-	-	-	-
Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office		-	-	-	-	-	-	-	-	-
Equipment Machinery and		-	-	-	-	-	-	-	-	-
Equipment Transport		-	-	-	-	-	-	-	-	-
Assets		-	-	-	-	-	-	-	-	-
Land	4	-	88,221	89,47	116,244	131,756	131,756	155,742	149,783	147,421
Zoo's, Marine and Non-biological Animals		-	51,205	58,21	58,020	79,594	79,594	112,495	98,183	71,064
		-	-	687	1,500	2,500	2,500	9,000	8,000	18,000
Total Capital Expenditure		-	7,023	1,13	12,490	3,300	3,300	8,500	27,600	25,300
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	2,500	2,500	2,500	-	-	33,057
Electrical		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation		-	58,228	60,03	74,510	87,894	87,894	129,995	133,783	147,421
Infrastructure Solid		-	1,131	5,13	7,200	11,470	11,470	2,000	16,000	-
Waste Infrastructure		-	26,723	15,89	23,774	20,643	20,643	4,427	-	-
Rail Infrastructure		-	27,854	21,02	30,974	32,113	32,113	6,427	16,000	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	593	395	110	338	338	2,000	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community		-	593	395	110	338	338	2,000	-	-
Assets		-	-	-	-	-	-	-	-	-
Heritage		-	-	-	-	-	-	-	-	-
Assets		-	(0)	-	-	-	-	1,150	-	-
Revenue		-	(0)	-	-	-	-	1,150	-	-
Generating Non-revenue Generating		-	55	1,89	200	350	350	2,000	-	-
Investment		-	30	(469)	100	-	-	2,150	-	-
properties		-	561	9,32	350	530	530	1,300	-	-
Operational		-	900	(2,72)	10,000	10,531	10,531	10,720	-	-
Buildings		-	-	-	-	-	-	-	-	-
Assets		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	88,221	89,47	116,244	131,756	131,756	155,742	149,783	147,421
ASSET REGISTER SUMMARY - PPE (WDV)	5	-	963,672	1,034,228	1,066,924	1,152,129	1,152,129	127,145	258,627	130,758
Roads Infrastructure		-	532,122	578,195	53,249	75,223	75,223	113,195	211,379	71,064
Storm water		-	55	687	1,500	2,500	2,500	9,001	17,001	18,000
Infrastructure		-	67,977	71,07	10,781	2,691	2,691	1,000	1,000	-
Electrical		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply		-	(55)	(131)	-	-	-	(0)	(0)	33,057
Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure Solid		-	-	-	-	-	-	-	-	-
Waste Infrastructure		-	600,099	649,821	65,530	80,414	80,414	123,196	229,380	122,121
Rail Infrastructure		-	(26,180)	(12,50)	990,814	1,060,602	1,060,602	9,427	49,427	24,000
Coastal Infrastructure		-	549	549	549	549	549	1	1	-
Information and Communication Infrastructure		-	213	206	213	206	206	0	0	-
Infrastructure		-	328,124	326,213	(1,337)	(1,057)	(1,057)	2,151	2,151	-
Community		-	-	-	-	-	-	-	-	-
Assets Heritage		-	89	53	6	-	-	1,150	1,150	-
Assets		-	(55)	2,33	(8)	(284)	(284)	2,000	2,000	-
Investment		-	5,204	4,92	(1,189)	(1,359)	(1,359)	2,000	2,000	-
properties Other		-	12,429	21,24	2,655	2,835	2,835	1,300	1,300	-
Assets		-	9,370	7,55	9,692	10,223	10,223	(14,081)	(28,782)	(15,363)
Biological or Cultivated Assets		-	33,830	33,83	-	-	-	0	0	-
Intangible Assets		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	963,672	1,034,228	1,066,924	1,152,129	1,152,129	127,145	258,627	130,758
EXPENDITURE OTHER		-	47,213	63,778	36,259	37,073	37,073	34,154	36,252	39,883
ITEMS	7	-	32,240	36,901	13,507	13,951	13,951	14,620	15,264	15,950
Depreciation	3	-	14,973	26,877	22,752	23,122	23,122	19,533	20,988	23,933
Repairs and Maintenance by Asset Class		-	7,485	19,781	5,290	5,688	5,688	4,000	4,876	7,095
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water		-	355	-	331	-	-	200	209	218
Infrastructure		-	-	-	-	-	-	-	-	-
Electrical		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation		-	367	-	-	-	-	-	-	-
Infrastructure Solid		-	8,208	19,78	5,621	5,688	5,688	4,200	5,085	7,31
Waste Infrastructure		-	3,305	1,41	3,687	10,530	10,530	7,539	7,871	8,22

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Community Assets		-	3,386	1,627	4,055	10,758	10,758	7,778	8,120	8,485
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	320	504	4,826	936	936	1,387	1,448	1,513
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	320	504	4,826	936	936	1,387	1,448	1,513
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	125	508	738	937	937	982	1,025	1,071
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	82	309	492	999	999	1,169	1,116	1,166
Transport Assets		-	2,852	4,148	7,021	3,806	3,806	4,018	4,195	4,384
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	47,213	63,778	36,259	37,073	37,073	34,154	36,252	39,883
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	5.6%	9.8%	6.4%	11.9%	11.9%	5.1%	6.1%	28.5%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	15.4%	23.8%	54.8%	112.0%	112.0%	54.0%	60.3%	263.7%
<i>R&M as a % of PPE</i>		0.0%	1.6%	2.6%	2.1%	2.0%	2.0%	15.5%	8.2%	18.3%
<i>Renewal and upgrading and R&M as a % of PPE</i>		0.0%	2.0%	3.0%	3.0%	3.0%	3.0%	22.0%	12.0%	50.0%

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

A short description of the municipality

Greater Letaba Municipality (GLM) is in the north-eastern part of the Limpopo Province in the jurisdiction area of Mopani District Municipality. Greater Letaba Municipality shares borders with Greater Tzaneen Municipality in the south, Greater Giyani Municipality in the east, Molemole Municipality in the west and Collins Chabane Municipality in the north.

Greater Letaba Municipal area is one of the smaller municipal areas in terms of land area, and characterized by contrasts such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetates in the south (timber) and sparse in the north (bushveld). Although aquatic resources within the boundaries of the Municipality are scarce, the proximity of natural resources (tourist's attractions, intensive economic

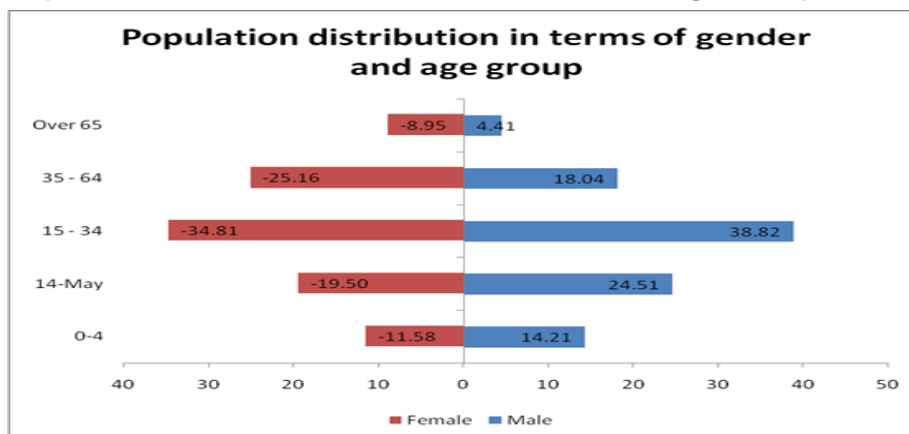
activity, nature reserves and vast arable land) to the borders of the municipality creates an opportunity for capitalization.

The “gates” to the municipal area are Sekgopo in the west and Modjadjiskloof in the south. The land area of Greater Letaba Municipality extends over approximately 1891km². Greater Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction. There are also 132 rural villages within the municipal area. 45 paving projects were implemented since 2013/14 financial year inclusive of the following projects which were done in the 2018/19 viz; Modjadji Ivory phase 2 (0.8Km) and Moshakga Street paving (2.2Km).

Social Analysis

The socio-economic analysis will focus on the population size, age and gender profiles as well as the educational levels of the population. Information on the Socio-economic status of Greater Letaba Municipality was mainly gathered from census conducted by STATSSA in 2011 and 2016. Much of the municipal population is indigents.

Population and Household Size Population distribution in terms of Gender and Age Group



The population of Greater Letaba Municipality is very young with 39.3% of the people younger than 35 years of age. From the Pyramid below, it is evident that, in the age group 15-34 the percentage of males is high as compared to females. While in the age group 35-64 there is high percentage of females than males.

Table 14-Population distribution in terms of gender and age group

Types of disability			Total
Sight	345	134	479
Hearing	392	102	494
Communication	421	143	564
Physical	729	567	1296

Intellectual	1	32	33
Emotional	493	432	925
Multiple	145	57	202

Education level: About 28, 5 % of the population in Greater Letaba Municipality has no educational background.

LEVEL OF EDUCATION	GREATER LETABA	%	MOPANI	%
Grade 1/sub A (completed or in process)	7627	5.6	31711	5.4
Grade 7/standard 5	15877	11.7	64097	10.9
Grade 11/standard 9/form 4/NTC II	15919	11.8	68420	11.7
Attained grade 12; out of class but not completed grade 12	6419	4.7	30580	5.2
Grade 12/Std 10/NTC III (without university exemption)	10159	7.5	52920	9.0
Grade 12/Std 10 (with university exemption)	754	0.6	10195	1.7
Certificate with less than grade 12	1430	1.1	10497	1.8
Diploma with less than grade 12	1562	1.2	7780	1.3
Certificate with grade 12	952	0.7	6448	1.1
Diploma with grade 12	2777	2.1	13095	2.2
Bachelor's degree	1479	1.1	6879	1.1
BTech	78	0.1	999	0.2
Post graduate diploma	317	0.2	2431	0.4
Honour's degree	459	0.3	2043	0.3
Higher degree (masters/PhD)	72	0.1	1127	0.2
No schooling	38459	28.5	146863	25.1
Out of scope (children under 5 years of age)	28068	20.8	113316	19.4
Unspecified	2334	1.7	8115	1.4
Institutions	494	0.4	8476	1.5
Total	135165	100	585991	100

Source: 2011, STATSSA.

The percentage of illiteracy is estimated at 28,5%, which shows a decline in the level of illiteracy by 17,3%. The progress thereof is satisfactory; the level of illiteracy is still worrying since it impacts on the employability of the population. The number of existing schools in the municipality is inadequate some of them being in poor conditions.

Areas affected are: Mohokoni, Thlothlokwe, Mothobeki, Taulome, Nkwele-motse, Mandela Park, Makaba, Chabelang B, and Motlhele.

Employment Profile

The graph below presents the employed population of Greater Letaba according to gender of households. The statistic on the graph below shows that 9719 of male people are employed as compared to small number of 6383 of female people. And the STATSSA also depict number of youths employed and number of disabilities employed, female people, unemployed, discouraged work-seeker and economically inactive are mostly affected as indicated on the chart below.

Figure 1.3: Employment per gender of household

Source: Census 2011

Employment and Unemployment Rate

The percentage of people employed by formal sector is high and constitute 63.78 % followed by informal sector with 24.805 %. The Pie chart also indicates that private households contribute 9.26 % of employment.

INFRASTRUCTURE ANALYSIS

Multipurpose Community Centres

There are two multipurpose centres at Mokwakwaila and Soetfontein. These multipurpose centres play a critical role in ensuring that information regarding government activities is made accessible to the community. Key basic services by government and parastatals are provided to communities through the centres.

Community facilities

Greater Letaba Municipality has eight (8) libraries within its area of jurisdiction. Library contributes significantly to the education of the Greater Letaba population. The Modjadjiskloof library, Soetfontein library, Maphalle and Ga-Kgapane libraries are currently operational. The libraries in Mokwakwaila, Sekgopo, Senwamokgope, and Shotong are completed and currently in the process of resourcing. Rotterdam Library designs are completed.

There are ten (10) sports facilities blueprint around Greater Letaba Municipality's area of jurisdiction targeting to benefit the community thus promote socio-cohesion. The areas where these social amenities are located is at Sekgopo, Kgapane, Lebaka, Rotterdam, Thakgalane, Senwamokgope, Shaamiriri, Mamanyoha, Mokwakwaila and Madumeleng. Five (5) of these sports facilities are still under construction using a multi-year implementation approach with prospects for completion by June 2020 (i.e Kgapane, Rotterdam and Mamanyoha Sport Stadia) and by June 2022 respectively (i.e Thakgalane and Madumeleng Sport Stadia).

The municipality has registered a significant and immense progress in as far as addressing backlog levels in this area of sports facilities development.

. Water

The general state of water supply within the municipal area is not up to standard and therefore requires urgent intervention to improve the situation. The municipality often experiences unfortunate situation whereby communities are obliged to utilise contaminated water collected from natural sources like rivers and springs for domestic use. Cases of Bilharzias diseases have been reported in areas like Lemondokop as a result of contaminated water being used by desperate community members. It is imperative that additional water supply resources be provided and that the existing resources be extended and refurbished with the assistance of the Mopani District Municipality (MDM) which is the Water Services Authority (WSA) in the area. GLM is the Water Services Provider (WSP) according to the agreement signed with MDM.

Free Basic Water

The threshold for provision of Free Basic Water is a maximum of six (6) kilolitres per household per month. Indigent households which reside in the proclaimed towns do not pay for the first 6kl of water as reflected in their service accounts. There is a total of 132 villages which receive unmetered free water supply, which is presumed to be above the FBW threshold. In areas where there are deficiencies in water availability, water supply is supplemented by water tankers at no cost to the recipients.

Free Basic Electricity

The maximum allowable consumption for Free Basic Electrification is 60kw per household per month. The municipality receives applications for its licensed area. ESKOM administers applications and collection of FBE in areas under their licenced distribution area.

Street Lighting

The municipality has a strategic intention of locating streetlights or high mast lights in areas which are at entry to the municipal area or / and affected adversely by crime. Areas which are provincial, district and local growth points, areas which have economic activities especially even after sunset are also targeted for lighting. A total of one hundred and fifty-nine (167) high mast lights were erected from 2009/2010 until 2020/21 financial years benefiting all the wards. A vast increase in street lighting assets requires the municipality to adjust the budget for related operations and maintenance accordingly.

Transport Infrastructure

Road Networks and Backlogs

Transportation infrastructure makes a major contribution to the facilitation of economic activities. A major progress has been made in improving the condition of the roads in the municipality. The municipality has a total of 1228.8 km road network.

Public transport

Greater Letaba municipality public transport is accessible to communities; some villages take less than 10 minutes' walk to access public transport. Whereas some takes more than 10 minutes to access public transport which is above service norm and standards. Total transport network is 1228.8(Paved/Tarred-590KM unpaved 638.8Km).

Access to Health Care

STATSSA indicates that, within the Greater Letaba Municipal area, 42% of communities reside within 20 km of a hospital, 4% of communities reside within 10 km of a Health Centre and 91% of communities live within 5 km of a clinic. Apart from the very low Health Centre statistic, Greater Letaba compares favourably with other local municipalities in the Mopani District. The distance norm to rate accessibility does not take into consideration other restrictive factors, such as bad state of roads, and therefore health facilities are in all probability less accessible to communities than reflected by the Department of Health criteria.

Heritage Sites

Greater Letaba Municipality has few heritage sites:

*Modjadji Cycad forest

*Rain Queen White House

*Lebjene Ruins

There is a need in Greater Letaba Municipality to promote Khelobedu language and popularize heritage sites such as Manokwe cave that is still under construction and other attractions which are found within the Greater Letaba Municipality.

Thusong Service Centers

Municipality has one Thusong Centres which is currently operational. The Centres is located at Mkwakwaila Satelite Centre and available stake holders are SASSA, ESCOM, Correctional Services, ECD, Library, Police Station, library and Social Work.. There is a need to upgrade the Soetfontein Rural Development Agency facility in Sekgosese to a Thusong Centre. The establishment of this Centre will empower the poor and disadvantaged through access to information, services and resources from governmental organizations, parastatals, and business.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The staff that are responsible for preparation of the budget are the Municipal manager, all directors and senior official of the municipality.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

2.1.1 BUDGET PROCESS OVERVIEW

- In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.
- Section 28 of the Municipal Systems Act 32/2000, provides that each municipal Council should adopt a process that would guide the planning, drafting, adoption and review of the integrated development planning (IDP). Clear and established mechanisms, procedures, and processes for consulting with communities are imperative and should have been followed before such a plan is adopted by Council.

2.1.2 CONTENT OF THE MUNICIPALITY IDP PROCESS PLAN

This plan outlines the following:

- Mopani District Municipality framework.
- Structures that manage/drive the IDP.
- IDP/Budget Activities scheduled July 2021-June 2022 Time scheduled for planning process.
- Roles and responsibilities.
- Public/community participation/involvement.

Institutional Arrangements to Drive IDP Process

The following table portrays the structures/stakeholders, composition, and their roles and responsibilities in respect of the Integrated Development Planning Process in the Greater Letaba Municipality.

Phases of 2021/22 Draft IDP.

STAGES/PHASES OF THE IDP PROCESS	
IDP Phases	Activities
PREPARATORY July 2021	-Identification and establishment of stakeholders and structures and sources of information. -Development of the IDP Framework and process plan.
ANALYSIS PHASE July-September 2021	-Compilation of levels of development and backlogs that suggest areas of interventions.
STRATEGIES PHASE Sept-Oct. 2021	-Reviewing the vision, mission, strategies and objectives.
PROJECTS PHASE October 2021-January 2022	-Identification of possible projects and their funding sources.
INTEGRATION PHASE January-February 2022	-Sector plans summary inclusion and programmes of action.
Approval phase March-May 2022	-submission of Draft IDP to Council -Road-show on Public participation and publication, -Amendments of Draft/IDP/Budget according to comments/inputs, -submission to council for approval and adoption.

1. Phases and Activities of the IDP Process

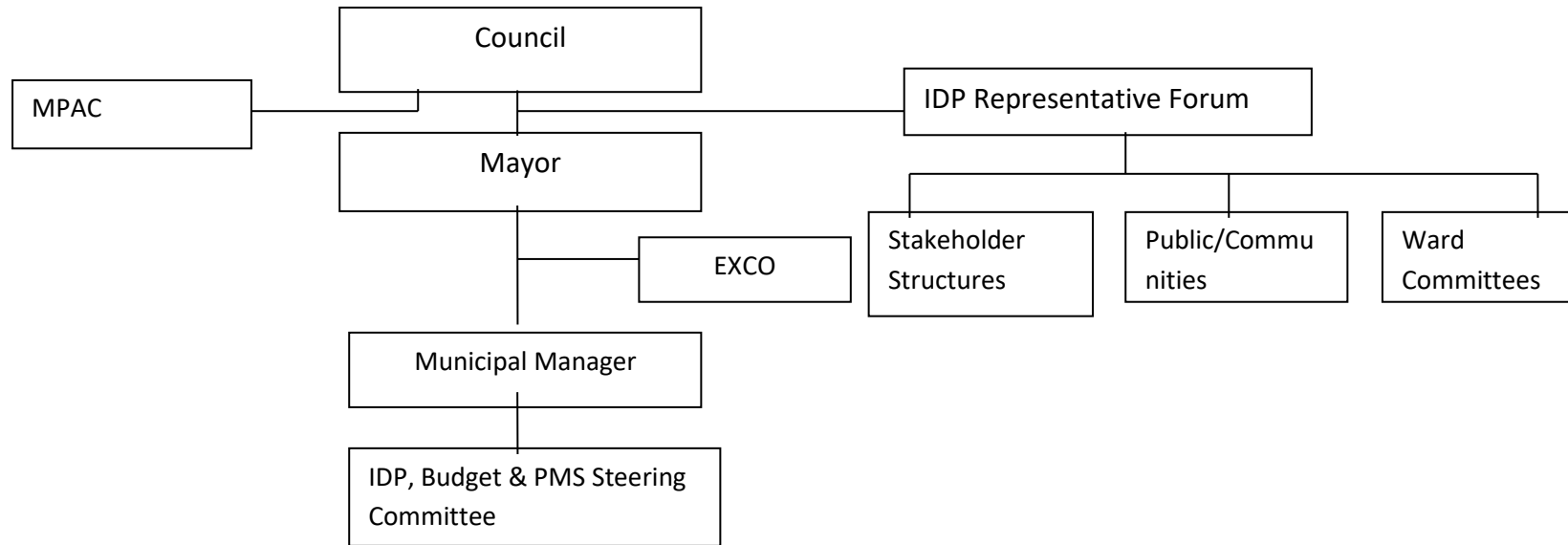
The table below shows the phases/stages of the IDP Process and Activities entailed for the review of the 2021/22 IDP:

Stages/Phases of the IDP Process

IDP Phases	Activities
Preparatory Phase	<ul style="list-style-type: none"> - Identification and establishment of stakeholders and/or structures and sources of information. - Development of the IDP Framework and Process Plan.
Analysis Phase	<ul style="list-style-type: none"> - Compilation of levels of development and backlogs that suggest areas of intervention.
Strategies Phase	<ul style="list-style-type: none"> - Reviewing the Vision, Mission, Strategies and Objectives.
Projects Phase	<ul style="list-style-type: none"> - Identification of possible projects and their funding sources
Integration Phase	<ul style="list-style-type: none"> - Sector plans summary inclusion and programmes of action
Approval Phase	<ul style="list-style-type: none"> - Submission of Draft IDP to Council - Road-show on Public Participation and publication - Amendments of the Draft IDP according to comments; - Submission of final IDP to council for approval and adoption

2. Structures that manage/drive the IDP, Budget and PMS process

The following diagram is a schematic representation of the organisational structure that drives the IDP Process:



The following structures will be responsible to develop, implement and monitor the IDP/Budget and PMS Greater –Letaba Municipality. Greater –Letaba Municipality IDP, Budget and PMS process has been aligned with that of the District Municipality as indicated in the table below:

Structures that manage/drive the IDP Process		
Structure	Composition	Role
	Greater-Letaba Municipality	Greater-Letaba Municipality
Council	Members of Council (Chair: Speaker)	<ul style="list-style-type: none"> ▪ Deliberate and adopt IDP Framework and Process plan. ▪ Deliberate, adopt and approve the IDP.
Mayoral Committee/ EXCO	Mayor, Portfolio Heads, Municipal Manager, Directors, and IDP Manager (Chair: The Mayor)	<ul style="list-style-type: none"> ▪ Provide political oversight in the development of the IDP ▪ Assign responsibilities to Municipal Manager. ▪ Deliberate and adopt IDP Framework and Process Plan. ▪ Responsible for the overall management, co-ordination and monitoring of the planning process and drafting process, as delegated to the Municipal Manager and the IDP Technical Team. ▪ Submit draft IDP to Council.
MPAC	Council appointed councillors (10)	<ul style="list-style-type: none"> ▪ Perform any other functions assigned to it through a resolution of council within its area of responsibility. ▪ Promote good governance, transparency and accountability on the use of municipal resources;
Portfolio Committee	Chairperson and members of Portfolio Committee – INDEP (Chair: Head of Portfolio Committee)	<ul style="list-style-type: none"> ▪ Manage the drafting of the IDP on behalf of the Executive Committee ▪ Provide political oversight.
Ward Committees	Ward councillors; Ward committee members; Local Area Planning Facilitators (LAPs); and Community Development Workers (CDWs). Chair: Ward Councillor)	<ul style="list-style-type: none"> ▪ Collect, discuss and prioritise ward needs. ▪ Submit ward needs to IDP Unit Link the planning process to their respective constituencies, wards and Ward Committees. ▪ Responsible for organizing public consultation and participation. ▪ Ensure the annual business plans and municipal budget are linked to and based on the IDP.

Structures that manage/drive the IDP Process		
Structure	Composition	Role
	Greater-Letaba Municipality	Greater-Letaba Municipality
		<ul style="list-style-type: none"> ▪ Ensure the IDP is aligned with provincial and national departments' budgets.
Municipal Manager	The Municipal Manager	<ul style="list-style-type: none"> ▪ Responsible for the overall management, coordination and monitoring of the planning process, as delegated to the Municipal Manager and the IDP/Budget Technical Team. ▪ Coordinates the implementation of the IDP/Budget planning process. ▪ Prepares the programme for the planning process. ▪ Undertakes the overall management and co-ordination of the planning process, ensuring that all relevant actors are appropriately involved. ▪ Assign persons in charge of different roles. ▪ Ensures an efficient and effectively managed and organised planning process. ▪ Responsible for the day-to-day management of the drafting process. ▪ Ensures that planning process is participatory, strategic and implementation-orientated and is aligned to and satisfies sector-planning requirements. ▪ Responds to comments on the draft IDP/Budget from the public, horizontal alignment and other spheres of government to the satisfaction of the Municipal Council. ▪ Ensures that MEC for local government's proposals are responded to and IDP relevantly adjusted.
IDP/Budget & PMS Steering Committee	Mayor, EXCO, Municipal Manager, All Sec 56 Managers, IDP Manager, PMS Manager & Budget Manager. (Chair: Mayor)	<ul style="list-style-type: none"> ▪ Provide political oversight in the development of the IDP/Budget. ▪ Supervises the implementation of IDP/Budget planning process. ▪ IDP/Budget consultation with various sectors. ▪ Oversee that amendments made to the draft IDP/Budget are to the satisfaction of the Municipal Council. ▪ Be responsible for the submission of the IDP/Budget to EXCO (for

Structures that manage/drive the IDP Process		
Structure	Composition	Role
	Greater-Letaba Municipality	Greater-Letaba Municipality
		<p>recommendation to Council) and MEC for CoGHSTA (for alignment).</p> <ul style="list-style-type: none"> Undertakes responsibilities, in response to proposals made by the MEC.
IDP /Budget & PMS Technical Committee	Municipal Manager, All Sec 56 Managers, Budget Manager, PMS Manager and IDP Manager (Chair: Municipal Manager)	<ul style="list-style-type: none"> Contribute technical expertise in the consideration and finalisation of strategies and identification of projects. Provide departmental, operational and capital, budgetary information. Be responsible for project proposals. Be responsible for the preparation and integration of projects and sector programmes. Be responsible for preparing amendments for the IDP/Budget review. Responsible for organising public consultation and participation.
IDP, Budget & PMS Representative Forum	Stakeholders forum comprising, amongst others, community structures, non-profit making organisations, Traditional Leaders, Ward Councillors, Associations, Interest Groups, Government departments, Church leaders, Ward Committee Members and Mopani Sector Departments and Parastatals (Chair: The Mayor)	<ul style="list-style-type: none"> Participate and ratify the completion of each phase of the IDP development and review process. Represent the communities at strategic decision-making level.
Performance Audit Committee	Audit Committee members, Sec 54 and 56 Managers, PMS Manager, Risk Officer, ICT Manager and Internal Auditor (Chair: Chairperson of the Audit Committee)	<ul style="list-style-type: none"> IDP/Budget/PMS monitoring
Dept., Cooperative Governance, Human Settlements &	MEC for CoGHSTA	<ul style="list-style-type: none"> Assess/Evaluate the IDP Comment and Monitor IDP implementation

Structures that manage/drive the IDP Process		
Structure	Composition	Role
	Greater-Letaba Municipality	Greater-Letaba Municipality
Traditional Affairs		

3. IDP, Budget, PMS and MPAC Calendar for 2021-22

The IDP, Budget and PMS calendar presents the activities that will be undertaken by both the District Municipality and Greater-Letaba Municipality during the 2021/22 financial year.

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
IDP			
July 2021	Preparatory Phase <ul style="list-style-type: none"> • Identification of and establishment of stakeholders and or structures and source of information 	<ul style="list-style-type: none"> • July 2021 	30 July 2021
Budget			
	<ul style="list-style-type: none"> • Establish Departmental Budget Committees (include councillors & officials). 	<ul style="list-style-type: none"> • 27/07/2021 – 05/09/2021 	
PMS			
	<ul style="list-style-type: none"> • Compilation of 2020/21 4th quarterly report • Conclude 2020/21 annual performance agreements • Submit final approved SDBIP 	<ul style="list-style-type: none"> • 06/07/2021 - 28/07/2021 • 03/07/2021 - 27/07/2021 • 29/07/2021 	
IDP			
August 2021	Analysis Phase <ul style="list-style-type: none"> • Management meets to discuss IDP Analysis Phase • IDP Steering Committee: Analysis Phase • IDP Representative forum: Analysis phase 	<ul style="list-style-type: none"> • 14 August 2021 • 25 August 2021 • 04 September 2021 	31 July-30 September 2021 IDP Analysis Phase Engagement Session: 9- 10 September 2021
Budget			
	<ul style="list-style-type: none"> • Submission of AFS to stakeholders. 	<ul style="list-style-type: none"> • 31/08/2021 	
PMS			
	<ul style="list-style-type: none"> • Mayoral Imbizo 	<ul style="list-style-type: none"> • 03/08/2021 – 	

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • Make public the 2021/22 SDBIP • Make public 2021/22 annual performance agreements and ensure that copies are submitted to Council and MEC:CoGHSTA • Submission of 2020/21 Institutional Annual Performance Report • Place 2021/22 annual performance agreements on the municipal website. • Individual performance assessments 2020/21 (Annual) 	<ul style="list-style-type: none"> • 12/08/2021 • 17/08/2021 • 17/08/2021 • 31/08/2021 • 17/08/2021 • 03/08/2021-31/08/2021 	
IDP			
September 2021	Strategies Phase <ul style="list-style-type: none"> • Management: Preparation for strategic planning session 	<ul style="list-style-type: none"> • 10 September 2021 	23 September 2021 to 27 November 2021
Budget			
	<ul style="list-style-type: none"> • Review resources frames and financial strategies 	<ul style="list-style-type: none"> • 28/09/2021 – 02/11/2021 	
PMS			
	<ul style="list-style-type: none"> • Individual performance assessment report 2020/21 Annual • Submission of Final 2020/21 departmental annual reports 	<ul style="list-style-type: none"> • 07/09/2021 • 28/09/2021 	
IDP			
October 2021	<ul style="list-style-type: none"> • Strategic Planning Session: strategies 	<ul style="list-style-type: none"> • 12-14 October 2021 	Engagement Session 5-6

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> phase Management: consolidate strategic session discussion IDP Steering Committee: Strategic phase IDP Rep Forum: Strategic Phase 	<ul style="list-style-type: none"> 19 October 2021 30 October 2021 05 November 2021 	November 2021
Budget			
	<ul style="list-style-type: none"> Commence preparation for the 2022/2023 departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers (and NERSA) Departmental budgets inputs for 2022/23 	<ul style="list-style-type: none"> 10-14 /12/ 2021 14/12/2021 	
PMS			
	<ul style="list-style-type: none"> Continuation of preparations for 2020/21 annual report utilizing financial and non-financial information first reviewed as part of budget and IDP analysis Compilation of 2021/22 first quarter institutional performance report. 	<ul style="list-style-type: none"> 04/10/2021- 31/10/2021 04/10/2021 - 31/10/2021 	
Budget			
November	<ul style="list-style-type: none"> Community and 	<ul style="list-style-type: none"> 02/11/2021 	–

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
2021	stakeholder consultation process, review inputs, financial models, assess impacts on tariffs and charges and consider funding decisions including borrowing. Adjust estimates based on plans and resources. Commence consultation on the proposed tariffs. Check the tariff submission date and align. <ul style="list-style-type: none"> • Draft five-year Financial Plan 	30/11/2021	
		<ul style="list-style-type: none"> • 02/11/2021 – 30/11/2021 	
PMS			
	<ul style="list-style-type: none"> • Mayoral Imbizo 	<ul style="list-style-type: none"> • 11/11/2021-18/11/2021 	
IDP			
IDP			
December 2021	<ul style="list-style-type: none"> • No Activities 		
PMS			
	<ul style="list-style-type: none"> • Oversight training for MPAC members for probing the 2020/21 annual report. • Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements • Present draft annual report to 	<ul style="list-style-type: none"> • 04/12/2021-13/12/2010 • 14/12/2021 • 21/12/2021 	

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	Municipal Manager		
IDP			
January 2022	Projects Phase <ul style="list-style-type: none"> • IDP Steering Committee: Projects phase • Management Meeting: Project Phase • IDP Rep Forum: Project Phase • Management: Half-Year IDP performance report and annual report, recommendations on adjustments budget EXCO: <ul style="list-style-type: none"> • Half year IDP performance report and annual report Council sitting: <ul style="list-style-type: none"> • Approval of adjustments budget and performance assessment and annual reports. • Publication of the annual report for public input 	<ul style="list-style-type: none"> • 11 January 2022 • 15 January 2022 • 22 January 2022 • 27 January 2022 • 23 January 2022 • 27 January 2022 • 29 January 2022 	January to March 2022 Engagement Session 2 February 2022
Budget			
	<ul style="list-style-type: none"> • Finalise the 2021/22 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of proposed tariffs) • Mid-Year Performance Assessment and 	<ul style="list-style-type: none"> • 02/12/2021 – 09/12/2021 • 25/01/2022 • 23/01/2022– 28/01/2022 	

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	<p>recommend and adjustment budget, if necessary.</p> <ul style="list-style-type: none"> • Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration. • Review all aspects of the 2021/22 budget including any unforeseen and unavoidable expenditure considering need for an adjustment budget. 	<ul style="list-style-type: none"> • 09/01/2022–24/01/2022 	
PMS			
	<ul style="list-style-type: none"> • Compilation of 2021/22 Mid-year report • Mayor tables 2020/21 annual report to council • Make public the 2020/21 annual report and invite comments from local community, submit report to Auditor-General, Provincial Treasury & CoGHSTA • Consider monthly & mid-year reports for the period ended 31 December 2021. • Review implementation of budget and service delivery plan (SDBIP), identify problems and amend or recommend appropriate 	<ul style="list-style-type: none"> • 04/01/2022 - 18/01/2022 • 29/01/2022 • 03/02/2022 • 29/01/2022 • 31/03/2022 	

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	amendments. Submit report to council and make public any amendments to the SDBIP by the end of January 2022		
IDP			
February 2022	Integration Phase • IDP Integration	• 22 February 2022	February 2021
Budget			
	<ul style="list-style-type: none"> • Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget. • Finalise the 2021/22 detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy. • Tabling and approval of an adjustments budget (if necessary) 	<ul style="list-style-type: none"> • 05/02/2022 – 26/02/2022 • 08/02/2022 • 15/02/2022 • 26/02/2022 	February 2021
PMS			
	<ul style="list-style-type: none"> • Individual Performance Assessments 2021/22 Mid-year • Place 2020/21 annual report on the municipal website 	<ul style="list-style-type: none"> • 03/02/2022- 26/02/2022 • 05/02/2022 • 08/02/2022 – 15/02/2022 	

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • Mayoral Imbizo 		
IDP			
March 2022	(Draft IDP) <ul style="list-style-type: none"> • Management meeting: Draft IDP • IDP Steering Committee: Draft IDP Discussion • EXCO: consideration of the oversight report, draft IDP and Budget • Council: Approval of the oversight report, draft IDP and Budget 	<ul style="list-style-type: none"> • 08 March 2022 • 15 March 2022 • 19 March 2022 • 26 March 2022 	30 March 2021
Budget			
	<ul style="list-style-type: none"> • Consolidation of Draft 2022/23 annual budget. • Submit the 2021/22 approved adjustments budget to the Provincial & National Treasury & any other affected organ of state (10 days after approval.) • Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges. • Distribute all budget documentation prior to meeting at which budget is to be tabled. • Table in Council the 2020/2021 annual budget & all 	<ul style="list-style-type: none"> • 02/03/2022 • 09/04/2022 • 15/03/2022 • 16/03/2022 23/03/2022 • 31/03/2022 	-

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	supporting documents (including finance policies).		
PMS			
	<ul style="list-style-type: none"> • Compile Individual performance assessment report (2021/22 Mid -Year Quarters) • Council adopts the 2020/21 annual report with the comments of the oversight committee. • Submit draft 2021/22 SDBIP to the Mayor 	<ul style="list-style-type: none"> • 15/03/2022 • 31/03/2022 • 31/05/2022 	
IDP			
April 2022	<ul style="list-style-type: none"> ▪ (Draft IDP cont) ▪ Submission of draft IDP to COGSTA for analysis, Publication of the draft IDP documents for inputs ▪ Public participation on draft IDP/ budget/ PMS 	<ul style="list-style-type: none"> • 13 April 2022 • 15/April/2022 to 28/April/2022 	28 April-12 May 2022
Budget			
	<ul style="list-style-type: none"> • Make public the 2022/23 tabled annual budget & accompanying budget documentation, invite the community to submit representations and submit to Provincial & 	<ul style="list-style-type: none"> • 05/04/2022–26/04/2022 • 05/04/2022–26/04/2022 	

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	<p>National Treasury and other affected organs of state.</p> <ul style="list-style-type: none"> • Consultation on tabled budget, publicise and conduct public hearings and meetings within wards. 		
PMS			
	<ul style="list-style-type: none"> • Submit the 2020/21 Annual Report & Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature. • Make public the 2020/21 oversight report • Submission of third quarter departmental performance report 	<ul style="list-style-type: none"> • 05/04/2022 • 05/04/2022 • 13/04/2022 	
IDP			
May 2022	<p>Approval Phase (Final IDP)</p> <ul style="list-style-type: none"> • IDP Steering committee: consideration of the inputs from the public participation process • Management : Effect changes to draft IDP and budget as per public comments and COGSTA • IDP Rep Forum : Consider final Draft IDP/Budget 	<ul style="list-style-type: none"> • 29 April 2022 • 07 May 2022 • 18 May 2022 • 21 May 2022 • 31 May 2022 	30 April 2022

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> EXCO: Final draft IDP/Budget Council Sitting : Approval of the Final Draft IDP and Budget 		
Budget			
	<ul style="list-style-type: none"> Consider the views of the community and other stakeholders on the 2022/23 budget. Respond to submissions received & if necessary, revise the budget and table amendments for council consideration. 	<ul style="list-style-type: none"> 26/04/2022 – 03/05/2022 26/04/2022 – 03/05/2022 	
PMS			
	<ul style="list-style-type: none"> Approve the Draft 2022/23 SDBIP- final date under legislation Approve the Final 21/22 SDBIP- final date under legislation 	<ul style="list-style-type: none"> 31/05/2022 29/06/2022 	
IDP			
June 2022	<ul style="list-style-type: none"> Submission of IDP CoGHSTA and District (10 working days after approval 	<ul style="list-style-type: none"> 07 June 2022 	
Budget			
	<ul style="list-style-type: none"> Submit approved IDP/Budget to National & Provincial Treasury, CoGHSTA and District (10 working days after approval) 	<ul style="list-style-type: none"> 14/06/2022 	

Month	Activity	Time-frame	
		Greater-Letaba Municipality	Mopani District Municipality
PMS			
	<ul style="list-style-type: none"> • Approve the Final 2022/23 SDBIP-final date under legislation • Submit the SDBIP to CoGHSTA, Provincial and National Treasury. 	<ul style="list-style-type: none"> • 29/06/2022 • 29/06/2022 – 12/07/2022 	

4. Public Participation

Greater Letaba Local Municipality will be responsible for monitoring its own IDP/Budget Process plan and ensure that the Framework is being followed as approved. Monitoring mechanisms will include monthly progress reports on IDP/Budget implementation as per the SDBIP, submitted to the Mayor and quarterly IDP implementation reports to Municipal Council.

5. Publication of the Draft IDP

- 5.1 The System's Act requires that a summary of the IDP be made available to the public, within 14 working days from the date of final approval of the IDP.
- 5.2 Copies of the IDP will be made available in all wards, local libraries and traditional offices.
- 5.3 Copies of the IDP will be made available in both hardcopy and electronic forms to all Directorates within the Municipality.
- 5.4 The IDP will also be published through the municipal website.
- 5.5 Copies of the IDP will be sent to the District, Province, and National as per legislation.
- 5.6 Potential investors and other IDP stakeholders will be afforded the opportunity to access the IDP, but only to the extent that the municipality can afford.

6. IDP ACTIVITY FLOW

- 6.1 The Office of the Director INDEP will provide secretariat services to the IDP meetings
- 6.2 The IDP Steering Committee shall be involved in the drafting of the Framework and IDP Process Plan
- 6.3 The IDP Steering Committee shall submit the Framework and Process Plan to Portfolio Committee head.

- 6.4 The IDP Steering committee shall further submit the Framework to the IDP Representative Forum through the Directorate Development and town planning
- 6.5 The Portfolio Committee head of Development and Town Planning shall further submit the Framework and Process Plan to Executive Committee.
- 6.6 Exco shall submit the Framework and Process Plan to Council
- 6.7 The Municipal Manager shall facilitate the Steering Committee in the drafting of the IDP in all phases.
- 6.8 Director of Development and Town Planning and the Municipal Manager shall monitor the planning in all phases, ensuring involvement of communities and adherence to time frames throughout.
- 6.9 The Draft IDP/Budget and PMS shall be submitted to the Portfolio Committee for oversight.
- 6.10 The Draft IDP shall be submitted to EXCO for consideration.
- 6.11 The Mayor shall submit the Draft IDP/Budget/PMS to the Council through the Portfolio head.
- 6.12 The Mayor shall approve the SDBIP 28 days after the adoption of the Final IDP, Budget and PMS.

7. IDP Process Plan: Monitoring, Evaluation and Reporting

- 7.1 Municipal Manager and the Portfolio Committee will be responsible for monitoring the Framework and Process Plan.
- 7.2 The District IDP Office will monitor compliance with the District Framework and Process Plan
- 7.3 Monthly progress reports will be submitted to Council through EXCO.

8. Inter-Governmental Relations

Office of the Premier (OTP) plays a central role IGR during the consultative processes of the IDP between the Greater Letaba, district municipality and sector department. MDM convenes and chairs the forum with direct assistance from OTP. The forum comprises all sector departments, DLGH, OTP and local municipalities within Mopani area of jurisdiction. Greater Letaba also has a separate platform to interact with sector department during Representative forums. The district municipality is the convener of the District Manager's forum, which is basically a key forum for strategic alignment, coordination and integration that serves as an IGR structure where the Sector Departmental Managers in the district meet with their municipal counterparts.

Municipalities have 3 strategic documents: IDP a 5-years' plan, budget 3-year plan and Service Delivery Budget Implementation plan 1-year plan, the budget funds the IDP and the SDBIP gives effect to the IDP & Budget, the SDBIP comes as a monitoring tool for the 2 documents and ensure that the plan is carried according to how it was planned, and the funding of the plan is used resourcefully.

9. Overview of Alignment of Draft Annual Budget with Draft IDP

The municipality has three strategic documents i.e. Integrated Development Programme, Budget and Service Delivery Budget Implementation Plan. The IDP provides a five-year strategic programme of action aimed at setting short, medium, and long-term strategic priorities to create a development platform, which correlate with the term of office of Council. The programme aligns the resources and the capacity of a Municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which Council use to provide a vision, leadership, and direction to all those that have a role to play in the development of the municipal area. The IDP enable the municipality to make best use of resources and speed up service delivery.

The municipal budget is strategic tool to fund the IDP and the SDBIP is an annual plan which gives effect to the integrated development plan. The IDP must be aligned to the National and Provincial programme of government in the delivery of basic services to the community of that specific local government. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

10. Conclusion

The Process plan adopted by Council shall be binding to all stakeholders in Greater Letaba Municipality and shall further provide transparency and accountability to the communities and stakeholders in Greater Letaba Municipality. The above are the activities that will be undertaken whilst reviewing the current integrated development plan (IDP) with the view to informing budgeting and setting a base for performance monitoring.