

ANNUAL BUDGET OF

PHOKWANE LOCAL MUNICIPALITY

2022/23 TO 2024/25

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

Honorable speaker

Honorable councillors

The acting Municipal manager Ms Mgaguli

All officials present

Guests and media

Good morning.

Madam speaker, it gives me a great pleasure and privilege to deliver my first budget speech in the current administration post local government elections held last year November 2021.

The people of Phokwane entrusted us with an important duty when they exercised their voting power to place an important responsibility upon us to restore stability and drive quality and sustainable service delivery.

However, madam Speaker, as you know it has not been an easy road since our term of office, we spent a quarter 3 mostly in and out of court. This did not only affect the running of the municipality, but we could not deliver much needed services to the community.

However, that did not deter us in picking up our socks to make sure we reaffirm our party election manifesto relating to good governance, financial management, service delivery, growth and development we atleast achieve them.

Maybe I should also highlight it to this gathering that in the interest of good governance, we managed to establish sub committees and they have kickstarted with their duties and in terms of oversight role, madam speaker we have also established MPAC. Most of you would remember that the committee is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality.

The office of the acting Municipal manager has also reestablished the internal audit unit, this is specifically in relation to do oversight of governance, compliance and

effectiveness on strategic level. The unit will also discharge their responsibilities by providing an independent evaluation, internal controls set by management.

The office of the acting municipal manager convened a workshop relating to the draft IDP, draft budget and budget policies and tariffs. The councillors had an opportunity to engage the documents, this was done to ensure that all councilors are on par.

Tabling of 2022/23 financial year

The total operating budget for 2022/2023 financial year amounts to R444 million, which is a decrease of R43 million or 9% when compared to the 2021/22 adjustment budget.

The proposed tariff increases for the financial year 2022/2023 are as follows:

Property Rates is 6, 00%

Refuse removal by 6%

Electricity by 7,47 %

Water and sanitation by 6 % respectively

Main reason for significant increase or decrease in 2022/2023 operational expenditure budget are the following:

1. Remuneration of employees:
 - a. The reason for the increase is due to the proposed yearly increment of 4.8%.
 - b. fully budgeted salaries of Sec 56 managers as the municipality is looking to appoint this coming financial year. The posts are already advertised.
 - c. Critical vacant posts have been budgeted.
2. Bulk purchase
3. Provision for bad debts
4. Contracted services just to mention few speaker.

For our indigents community, Provision has been made in the 2022/2023 budget for the free basic services that consist of the following:

- Water : 6 Kilolitre per month for 4300 indigent households
- Sewerage : Free basic sanitation for 4300 indigent households per month
- Refuse Removal :Free refuse removal for 4300 indigent households per month
- Electricity : 50 kWh per month for 4300 indigent households

And the proposed capital expenditure for the 2022/2023 financial year amounts R63, 5 million.

During the financial year, we will focus on the following projects:

No	Capital Projects	2022/23	2023/24	2024/25	Funding Source
1	Upgrading of the Hartswater WWTW, Phase 2	2 000 000	2 900 000	3 930 000	WSIG
2	Electrification of Goudensdal 508 stands	15 000 000	10 000 000	10 449 000	INEP
3	Upgrade of Waste Water Pumpstations and Bulk Outfall Lines in Pampierstad	8 000 000	13 500 000	10 449 000	WSIG
4	Upgrade Existing Asbestos Water Retention Phase 5 Pampierstad	21 411 890	17 214 000	20 214 000	MIG
5	Sewer Pumpstation and Related Bulk outfall Lines Mosakeng	8 126 110	13 500 000	11 751 000	MIG
6	Mayoral Vehicle	800 000	-	-	INTERNAL
7	Water Meters	1 500 000	-	-	FMG
8	Electricity Meters	1 500 000	-	-	INTERNAL
9	Development of Food Garden	35 000	-	-	INTERNAL
10	Extension of Hartswater Stalls	120 000	-	-	INTERNAL
11	Jan Kempdorp Renewal Stalls	90 000	-	-	INTERNAL
11	LED Office Vehicle with Canopy	250 000	-	-	INTERNAL
12	Asset Management System	250 000	-	-	INTERNAL
13	Performance Management System	1 500 000	-	-	INTERNAL
14	GIS System	300 000	-	-	INTERNAL
15	Computer/Laptops	200 000	-	-	INTERNAL
16	Office Furniture	300 000	-	-	INTERNAL
17	SWME Direct Funding	140 000	-	-	INTERNAL
	TOTAL	63 523 000	57 114 000	56 793 000	

Ladies and gentleman as you have heard, this financial year we have prioritised to significantly budget for LED office, over the last years the municipality received complaints that there are no LED activities let alone funding. This will also address the unemployment rate in Phokwane as reported by STATSA.

Ladies and gentlemen, with our country facing unemployment high level of unemployment, as public representatives it is of paramount importance to commit for local economic growth.

In conclusion, to the acting municipal manager, I know it has not been easy to operate without the senior managers, however on behalf of the council we would like to extend our gratitude to you and your team for sharing a vision with excellence for Phokwane and its people. I know that the recruitment process is still unfolding as the applications were recently closed and soon relevant committees will begin the process of shortlisting and appointment of senior managers.

One important factor to mention, we will improve our audit outcome and move way from where we are currently.

To all residents of Phokwane, I know that what you raised numerous priorities in our IDP consultative meetings and some of those are not budgeted for this financial year, mme nona pelo ka mathe ga go felele mo, the municipality is still engaging sector department for funding and we will priorities for outer years, the sewer, roads and water issues in Phokwane.

Councilors as I mentioned earlier in my speech, about the political differences, yes there will be moment in disagreements however we should always strive to serve our committees and put our political differences aside.

With that being said, I also want to extend my gratitude to my fellow EXCO members for their support and commitment in ensuring the best interest of this municipality.

God bless you all.

I thank You.



1.2 Council Resolutions

On 24 June 2022 the Council of Phokwane Local Municipality met in the Council Chambers of Phokwane Municipal Chamber to consider the annual budget, budget funding plan, budget related policies and the IDP of the municipality for the financial year 2022/23. The Council approved and adopted the following resolutions:

EXTRACT OF THE MINUTES OF A SPECIAL COUNCIL MEETING 7/2022 HELD ON 24 JUNE 2022

7.1 Tabling of Final Budget & Financial Related Policies for 2022/ 23 Financial Year

Attached hereby was a report received from the Office of the Municipal Manager together with the Draft Budget, Funding Plan and Financial Related Policies.

The Acting Municipal Manager and the Acting CFO took the Meeting through this item.

After their presentation, the Speaker handed over to the Mayor.

After the Mayoral speech, Councillors were given an opportunity to ask clarity seeking questions.

Councillors Setlhogoni and Haller raised their concerns about the R800 000 for the Mayoral Vehicle and the fact that we have to pay a Service Provider for the compilation of the Annual Financial Statements whereas we have a CFO.

They proposed the following:

- 1. That it be removed and the money be used for fencing of Grave Yards.*
- 2. That the Annual Financial Statements be compiled by the CFO in future.*

Councillor Meyer requested a 5 minutes break and it was granted.

RESOLVE

BESLUIT

- Council approved the Medium Term Revenue and Expenditure Framework for 2022/2023 – 2024/2025 with an Operating Revenue Budget of R337 816m, Operating Expenditure Budget of R444 203m and a Capital Budget of R63 523m and indicative of the two projected outer years 2023/2024 and 2024/2025 with amendments/changes.

2. Council approved the Annexure attached to the report which includes the Budget and supporting documents as prescribed per Section 16(2) and 17(3) of the MFMA, which is also inclusive of the Budget Funding Plan as well as all the Budget Related Policies.

Moved by : Councillor Harmse

Seconded by : Councillor Tumodi

Council Resolution/Raadbesluit 32/2022

CERTIFIED AS A TRUE COPY OF THE MINUTES OF A SPECIAL COUNCIL MEETING HELD ON
24 JUNE 2022.



MS B MQAGULI
ACTING MUNICIPAL MANAGER

EXTRACT OF THE MINUTES OF A SPECIAL COUNCIL MEETING 7/2022 HELD ON 24 JUNE 2022

6.2 Tabling of Final IDP Document for 2022/23 Financial Year

Attached hereby was a report received from the Office of the Municipal Manager together with the Final IDP Document.

The Acting Municipal Manager took the Meeting through this item. After her presentation, the Speaker handed over to Ms Pule, the Manager: Strategic Services.

Ward Councillors were given an opportunity to raise their concerns and to indicate if there are any challenges that they currently experience within their respective Wards to be considered in the next Financial Year.

RESOLVE
BESLUIT

Council approved the Final Integrated Development Plan (IDP) for 2022/2023 Financial Year.

Moved by : Councillor Khosa
Seconded by : Councillor Diloke

Council Resolution/Raadsbesluit 33/2022

**CERTIFIED AS A TRUE COPY OF THE MINUTES OF A SPECIAL COUNCIL MEETING HELD ON
24 JUNE 2022**


MS B MCAGULI
ACTING MUNICIPAL MANAGER

1. The Council of Phokwane Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2022/23 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position;
 - 1.2.2. Budgeted Cash Flows;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation;
 - 1.2.4. Asset management; and
 - 1.2.5. Basic service delivery measurement.
2. The Council of Phokwane Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2022:
 - 2.1. the tariffs for property rates,
 - 2.2. the tariffs for electricity
 - 2.3. the tariffs for the supply of water
 - 2.4. the tariffs for sanitation services
 - 2.5. the tariffs for solid waste services
3. The Council of Phokwane Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2022 the tariffs for other services.
4. To give proper effect to the municipality's annual budget, the Council of Phokwane Local Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.3 Executive Summary

The adjustment budget for the 2021/22 financial year and the draft budget for the 2022/23 has been used as a benchmark for the preparation of the final budget 2022/23. The budget has been prepared in terms of National Treasury format. The National Treasury A-schedules are attached as Annexure "A". the estimated CPI for the 2021/22 financial year (current year) is 4.5% and it is expected to increase in the coming budget year to 4.8%.

The inflation rate is at the lower end of the 3% to 6% target range. Low inflation was a result of weak demand in goods and services due to COVID-19 and now it becomes better after the low restriction by President. However; National government has adopted a recovery plan to revive the economy which will in turn bring positive spin offs to the economy and create more employment.

The draft budget deals with the operating budget and tariff proposals as well as the capital budget and funding sources to ensure that Phokwane local municipality is rendering services to their local community in a financially sustainable manner. The application of sound financial management principle is compilation of Phokwane's long term financial plan is important and important to ensure that the municipality remains financial viable and that municipal services are provided sustainable. The process of developing a draft are guided by strategic plans and operational priorities of Integrated Development Plan as well as the MTREF that sets out the expected annual revenue and the projected expenditure for the budget year under review and the two outer years.

The municipality is currently implementing Financial Recovery Plan which seeks to improve the financial position, service delivery and good governance.

The implementation process of the FRP is fairly good, although some of the projects have been delayed in being implemented due to lack of financial resources. In the engagement held on 22-25 May 2022, the meeting concluded that it was necessary that the municipality's Recovery Plan be revised so that it reflects achievable strategies and goals that seeks to achieve the recovery and improvement of revenue. This does not suggest that the Financial Recovery Plan is redundant, but more efforts must be put to better and fast track plan implementation.

Macroeconomic performance and projections, 2020-2025

Fiscal year	2020/21 Actual	2021/22 Estimate	2022/23	2023/24	2024/25
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Main Challenges experienced during the compilation of the 2022/23 MTREF can be summarised as follows:

- ❖ Weak economic performance and revenue shortfalls.
- ❖ High unemployment rate within Phokwane Municipality.
- ❖ Difficulty in implementing credit control policy due to community resistance and staff vacancies.
- ❖ Increase in repairs and maintenance cost of infrastructure assets of the municipality.
- ❖ Maintaining a positive cash flow and a funded budget.

- ❖ Infrastructure (water, roads and sewerage) that has aged.
- ❖ A huge backlog with electricity connections, access to piped water and hygienic toilets and increasing informal dwellings.
- ❖ Increasing in employees related cost due to overtime and standby.
- ❖ Slow implementation of the municipal financial recovery plan as a result of financial constraints.

This final budget has been prepared in a manner that it addresses the above mentioned challenges, although it will not completely eliminate them in this budget year but in a long run if the adopted assumptions and principles (referred to in the below paragraphs) are constantly applied it will make a huge positive impact.

These challenges will continue to put pressure on the revenue of the municipality, hence it is important that the implementation of the Municipal Financial Recovery Plan is given a high priority and fast track. Spending on contracted services and other expenditure has been prioritised towards items that will improve revenue and bring investments in the municipality.

The assumptions on which 2022/2023 budget was prepared are as follows:

- ❖ Proposed increase on tariffs be linked to inflation rate of 4.8%, except electricity tariff.
- ❖ Proposed increase on employee related cost for 2022/23 budget year is 4.8%.
- ❖ Proposed increase on electricity tariff by Eskom is 7.47 per cent as per the tariff increase approval by NERSA.
- ❖ Proposed increase for water, refuse and sanitation is 6%.
- ❖ Both incremental and zero base budgeting were used.
- ❖ Revenue enhancement strategies and cost curtailment measures through implementation of Municipal Financial Recovery Plan.

The municipal tariff increase is not in line with the inflation due to the agreement with rate payers' association as the vigorous increase will affect the community negatively especially in terms of property rates increases.

The draft budget for the 2022/23 financial year was prepared on a payment rate of 75% and the final budget will be 65% as per the guidance of treasury that we ensure that we budget for a realistic collection rate taking into consideration our current collection rate of 48%. The municipality hopes to increase the collection rate by ensuring that credit control implemented fully.

TABLE 1**OPERATIONAL BUDGET OVERVIEW**

Description	Adjustment Budget 2021/22	Draft Budget 2022/23	Final Budget 2022/23
Total Revenue	346 365	341 882	337 816
Total Expenditure	488 174	489 096	444 203
Surplus/Deficit	- 141 809	- 147 214	- 106 387
Total Capital Budget	85 372	121 571	63 253

The table above shows the overview of our budget. The revenue for the final budget has decreased as compared to the adjustment budget and draft budget. This was informed by the realistic revenue projection in terms of our electricity revenue compared to our 2019/20 Annual Financial Statement and 2020/21 Draft.

The mid-term assessment, adjustment budget for the 2022/23 and draft budget 2021/22 were used as the baseline to project revenue for the budget year and the two outer years, to ensure budget projections are realistic and can be achieved. The municipal Financial Recovery Plan was also taken into consideration when determining the projected revenue.

1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure a 65 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);

- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

NC094 Phokwane - Table A1 Budget Summary

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	Pro-duct outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	25,004	27,007	27,043	40,002	40,002	40,002	27,074	20,750	30,024	31,375
Service charges	141,718	146,263	131,213	134,009	170,009	170,009	144,404	154,007	101,540	100,010
Investment revenue	1,434	2,500	090	3,014	3,014	3,014	-	3,150	3,297	3,440
Transfers recognised - operational	120,603	115,940	140,474	119,009	99,009	99,009	47,891	110,133	137,509	145,000
Other own revenue	33,208	46,311	33,096	31,302	33,302	33,302	37,354	32,000	34,340	35,091
Total Revenue (excluding capital transfers and contributions)	330,048	338,041	332,517	320,306	346,306	346,306	257,323	337,016	366,797	305,129
Employee costs	85,437	84,901	70,742	94,501	96,009	96,009	83,300	103,305	107,710	112,340
Remuneration of councillors	7,045	6,340	3,400	5,005	5,005	5,005	6,309	5,329	5,504	5,014
Depreciation & asset impairment	71,738	37,250	0	70,940	70,940	70,940	-	70,940	74,070	77,403
Finance charges	31,747	21,700	-	79	30	30	-	02	00	90
Inventory consumed and bulk purchases	82,560	79,070	72,205	173,002	100,500	100,500	73,255	130,010	157,905	165,010
Transfers and grants	1,305	1,212	964	1,312	1,312	1,312	0	1,375	1,436	1,500
Other expenditure	112,609	90,097	26,070	120,050	134,155	134,155	37,035	124,205	129,572	135,330
Total Expenditure	393,310	320,020	182,052	471,057	400,174	400,174	199,000	444,203	470,352	497,503
Surplus/(Deficit)	(62,662)	10,015	150,464	(142,001)	(141,809)	(141,809)	57,337	(106,307)	(100,553)	(112,374)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	23,000	30,127	23,715	52,026	52,026	52,026	51	50,500	03,077	00,410
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)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(39,662)	40,742	-	(90,035)	(89,183)	(89,183)	57,389	(49,849)	(45,076)	(45,965)
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(39,662)	40,742	-	(90,035)	(89,183)	(89,183)	57,389	(49,849)	(45,076)	(45,965)
Capital expenditure & funds sources										
Capital expenditure	01,052	34,003	44,397	03,903	05,372	05,372	24,147	03,023	57,114	56,793
Transfers recognised - capital	30,970	33,000	15,250	00,500	01,022	01,022	16,003	00,500	57,114	56,793
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	14,170	915	29,140	3,304	3,550	3,550	7,404	6,905	-	-
Total sources of capital funds	53,140	34,003	44,397	03,903	05,372	05,372	24,147	03,023	57,114	56,793

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. In the 2021/22 financial year, revenue from rates and services charges totalled R211 million or 43 %. This decreases to R184 million, R192 million and R200 million in the respective financial years of the MTREF. The reduction emanates from realistic tariff application and taking into consideration the actual revenue collected in terms of the 2019/20 annual financial statements and draft 2020/21 annual financial statements.

Property rates decreases from R40, 8 million from the 2021/22 adjustment to R28, 7 million which is R12, 1 million or 29.6% for the 2022/23 financial year.

Electricity remains the largest source of revenue with an amount of R91, 7 million budgeted for 2022/23 financial year and was reduced from R117.4million. It constitutes 21.8% decrease when compared to the adjustment.

Water budgeted for 2022/2023 amounts to R36,2 million and reflect a decrease of R1, 9 million or 5.03% when compared with 2021/22 adjusted budget of R38.1million.

Sanitation amount of R15, 6 million has been budgeted for which is an increase of R2, 9 million or 23% when compared to the 2021/22 adjustment budget of R12.7million.

Refuse budget will be increased from R1.8million to R11, 2 million in 2022/23 financial year. The increase on this line item will be attributed from correct tariff calculation.

Grants, the municipality was supposed to receive R126 million from the **Equitable Share Grant**, it will receive R112 million due to the R14 million that will be deducted during the 2022/23 financial year because of unspent conditional grants and for **Financial Management (FMG)** the municipality will receive R3, 1 million.

Table 3 Operating Transfers and Grant Receipts

GRANT DESCRIPTION	ALLOCATION	LESS UNSPENT CONDONAL GRANT	TOTAL
EQUITABLE SHARE	126 099 000	14 000 000	112 099 000
FMG	3 100 000	-	3 100 000
LIBRARY	934 000	-	934 000
MIG	29 538 000	-	29 538 000
WSIG	10 000 000	-	10 000 000
INEP	15 000 000	-	15 000 000
FBDM	2 000 000	-	2 000 000
TOTAL	186 671 000	14 000 000	172 671 000

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible.

Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates and Impact of Tariff Increases

- ❖ The property rates will be levied on the total market value of the property in accordance with the Property Rates Policy. The proposed increase for 2022/2023 financial year is 6.00%

TABLE 4

DRAFT PROPERTY RATES 222/2023 FINANCIAL YEAR					
CATEGORIES	MARKET VALUE	2021/22 TARIFF	6% INCREASE	2022/23 PROPOSED TARIFF	2022/23 PROPOSED BUDGET FOR PROPERTY RATES
Agriculture	6 529 357 000	0.002102128	6%	0.002228256	R 14 549 076.82
Business	729 859 000	0.01093107	6%	0.011586934	R 8 456 828.21
Industrial	247 450 000	0.01093107	6%	0.011586934	R 2 867 186.87
Mining	250 000	0.01488646	6%	0.015779648	R 3 944.91
Place of worship	63 727 000	0	6%	0	R 0.00
Private road	880 000	0	6%	0	R 0.00
Organ of state	273 269 000	0.002013311	6%	0.00213411	R 583 186.01
PBO	13 350 000	0.011451116	6%	0.012138183	R 162 044.74
PSI	40 298 000	0.002102128	6%	0.002228256	R 89 794.25
Residential	1 822 176 000	0.008408514	6%	0.008913025	R 16 241 099.95
					R 42 953 161.76

1.4.2 Water and Impact of Tariff Increases

The municipality water demand is high a day. The rand value increase on household and business consumers will be as follow:

TABLE 5

The rand value increase on household and business consumers will be as follows:

Category	Basic Monthly Fee R	0 – 6 kl R	6-10 kl R	10-50 kl R	50-100 kl R	100kl > R
Residential	54.82	11.36	17.38	19.17	22.42	27.88
Commercial	162.00	17.38	19.17	22.42	27.88	29.57
Schools & Sport Clubs	715.81	11.36	17.38	19.17	22.42	27.88
Churhes and NGO's	122.55	11.36	17.38	19.17	22.42	27.88

Residential Erf	R147.92 per month
Other Erf	R190.33 per month

- ❖ The water tariff structure will remain unchanged as a rising block tariff with pro-poor block tariffs and pro-water conservation blocks for higher usage to encourage water savings as per draft budget
- ❖ A 6 kl of water is free for all qualifying indigent consumers.

1.4.3 Electricity and Impact of Tariff Increases

- ❖ NERSA has approved electricity increase of 7.47%.
- ❖ The municipality will apply for a tariff that is cost reflective which will take into consideration the cost of providing electricity and also technical distribution losses.

TABLE 6

Category	Basic Monthly Fee R	Kwh R	KVA R Demand Charge
Domestic Conventional0-50kwh 51-350kwh 351-600kwh >600 kwh	204.06	1.3847 1.7372 2.6073 2.8881	
Commercial < 200 Amps	761.42	2.4854	
Commercial > 200 Amps	5189.17	1.7006	266.60
Domestic Prepaid< 600-50kwh 51-350kwh 351-600kwh >600 kwh	204.06	1.3847 1.7372 2.4430 2.8881	
Commercial Prepaid >60 Amps		2.9024	
Government/Schools & Sport Clubs	201.75	2.1387	
*Indigent (Pre-Paid)	204.06 0-50kwh 51-350kwh 351-600kwh >600 kwh	FREE 1.7372 2.4430 2.8881	
• Indigent • (Conventional	204.06 0-50kwh 51-350kwh 351-600kwh >600 kwh	FREE 1.7372 2.6073 2.8881	
Churches/ NGO organizations	198.04	2.1492	
Residential Erf			
Other Erf			

Dept. ELP500		2.4854	
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KVA		270.26	
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1.4.2 Sanitation and Impact of Tariff Increases

The tariff increase for sanitation services will be 6%

1.4.3 Waste Removal and Impact of Tariff Increases

- ❖ The proposed increase in respect of refuse removal is 6.00%
- ❖ The refuse removal services tariff is mainly affected by a high labor component, the petrol price increase above the inflation and an increase in vehicle maintenance of refuse vehicles.
- ❖ The rand value increase on household and business consumer will be as follow:

TABLE 7

REFUSE	2021/2022	REFUSE @6.00%	2022/2023
Residential	R80.38	Residential	R85.20
Commercial	R125.18	Commercial	R132.69
Bulk holders	R1477.56	Bulk holders	R1566.21
Schools	R63.9	Schools	R67.73

1.5 Operating Expenditure Framework

TABLE 8

NC094 Phokwane - 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 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											
Expenditure By Type											
Employee related costs	2	85,437	84,901	78,742	94,501	95,069	95,069	83,300	103,365	107,718	112,348
Remuneration of councillors		7,045	6,340	3,465	5,085	5,085	5,085	6,389	5,329	5,654	5,814
Debt Impairment	3	83,361	72,048	-	87,476	87,476	87,476	-	87,476	91,325	95,435
Depreciation & asset impairment	2	71,738	37,959	0	70,948	70,948	70,948	-	70,948	74,070	77,403
Finance charges		31,747	21,730	-	79	39	39	-	82	85	90
Bulk purchases - electricity	2	63,387	68,338	58,268	95,000	95,000	95,000	95,531	75,000	79,344	82,914
Inventory consumed	0	10,181	11,328	13,938	77,082	84,566	84,566	16,404	62,818	78,561	82,066
Contracted services		17,487	18,369	19,218	34,184	30,659	30,659	32,987	22,432	23,355	24,343
Transfers and subsidies		1,365	1,212	954	1,312	1,312	1,312	5	1,375	1,435	1,500
Other expenditure	4, 5	8,530	5,377	7,458	14,380	16,029	16,029	13,038	14,378	14,891	15,561
Losses		3,231	3	-	-	-	-	-	-	-	-
Total Expenditure		393,310	398,026	182,062	471,067	488,174	488,174	399,986	444,262	478,259	497,583

The total operating budget for 2022/2023 financial year amounts to R444 million, which is a decrease of R43 million or 9% when compared to the 2021/22 adjustment budget.

Main reason for significant increase or decrease in 2022/2023 operational expenditure budget are the following:

- Remuneration of employees:**
 - The reason for the increase is due to the proposed yearly increment of 4.8%,
 - fully budgeted salaries of Sec 56 managers as the municipality is looking to appoint this coming financial year. The posts are already advertised.
 - Critical vacant posts have been budgeted.
- Bulk purchase.** Bulk purchases for electricity is decreased from R96 million to R76 million as compared to the adjustment, this is due to actual expenditure in terms of the 2019/20 AFS and 2021/22 draft AFS.
- Provision for bad debts.** For 2022/23 financial year an amount of R87.4million is provided for provision of bad debts.
- Inventory consumed.** The municipality remains committed to maintaining the infrastructure and an amount of R62 million is provided for repairs and maintenance.

5. **Contracted services.** for the 2022/2023 financial year is R22 million and it is made up of the following services:
 - a. Provision of security services for the municipality – R5million
 - b. Maintenance of the financial system –R3million
 - c. Consultant AFS preparations –R3million
 - d. Auditor General for audit purpose – R3million
 - e. Legal Fees- R1.3million
6. **Depreciation.** Provision for depreciation has been informed by the asset register. Budget appropriation on depreciation for 2022/2023 financial year amounts to R70.9million.
7. **Transfers and subsidies.** For the 2022/2023 financial year a budget of R1.3million has been made available.
8. **Other expenditure-** has decreased from R16 million to R14 million for 2022/23

The overall budget for 2022/2023 financial year reflects a surplus of R52 million

1.5.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register more indigent households during the 2022/23 financial year, a process reviewed annually.

Provision is made in the 2022/2023 budget for the free basic services that consist of the following:

- Water : 6 Kilolitre per month for 4300 indigent households
- Sewerage : Free basic sanitation for 4300 indigent households per month
- Refuse Removal :Free refuse removal for 4300 indigent households per month
- Electricity : 50 kWh per month for 4300 indigent households

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote for the 2022/23 financial year:

TABLE 9

Capital Expenditure - Functional											
Governance and administration		105	40	5,706	2,084	2,210	2,210	1,252	1,850	-	-
Executive and council		-	97	-	-	-	-	-	800	-	-
Finance and administration		105	(56)	5,706	2,084	2,210	2,210	1,312	1,050	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		5,604	-	-	-	-	-	-	-	-	-
Community and social services		5,604	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		11,348	-	-	1,600	8,047	8,047	401	2,135	-	-
Planning and development		-	-	-	90	90	90	-	835	-	-
Road transport		11,348	-	-	1,500	7,957	7,957	401	1,500	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		40,590	34,363	30,690	80,219	78,115	78,115	22,374	54,536	57,914	56,793
Energy services		2,223	2,920	9,165	15,209	26,546	26,546	8,204	37,912	27,214	30,663
Water management		19,111	-	9,028	20,382	31,953	31,953	6,711	1,500	-	-
Waste water management		19,561	31,843	7,918	16,228	16,617	16,617	6,329	20,126	20,900	26,130
Waste management		-	-	12,575	-	-	-	1,030	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	61,252	34,803	44,397	63,963	85,372	85,372	24,147	63,523	57,914	56,793
Funded by:											
National Government		34,716	33,808	18,206	57,869	70,822	76,822	16,863	54,536	54,214	52,663
Provincial Government		3,232	-	-	-	-	-	-	-	-	-
District Municipality		1,621	-	-	3,060	3,060	3,060	-	2,000	2,900	3,930
Transfers and subsidies - capital (treasury allocations) (National / Provincial Departmental Agencies, Hospitals, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	38,570	33,808	18,206	60,869	81,822	81,822	16,863	54,536	57,114	56,793
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		14,176	915	29,140	3,394	3,590	3,590	7,484	6,986	-	-
Total Capital Funding	7	53,446	34,803	44,397	63,963	85,372	85,372	24,147	63,523	57,914	56,793

The projects are as follows:

TABLE 10

No	Capital Projects	2022/23	2023/24	2024/25	Funding Source
1	Upgrading of the Hartswater WWTW: Phase 2	2 000 000	2 900 000	3 930 000	WSIG
2	Electrification of Guldenskat 608 stands	15 000 000	10 000 000	10 449 000	INEP
3	Upgrade of Waste Water Pumpstations and Bulk Outfall Lines in Pamperstad	8 000 000	13 500 000	10 449 000	WSIG
4	Upgrade Existing Asbestos Water ReticulationPhase 5 Pamperstad	21 411 890	17 214 000	20 214 000	MIG
5	Sewer Pumpstation and Related Bulk outfall Lines Masakeng	8 126 110	13 500 000	11 751 000	MIG
6	Fencing of Cemeteries	800 000	-	-	INTERNAL
7	Water Meters	1 500 000	-	-	FMG
8	Electricity Meters	1 500 000	-	-	INTERNAL
9	Development of Food Garden	35 000	-	-	INTERNAL
10	Extension of Hartswater Stalls	120 000	-	-	INTERNAL
11	Jan Kempdorp Renewal Stalls	90 000	-	-	INTERNAL
11	LED Office Vehicle with Canopy	250 000	-	-	INTERNAL
12	Asset Managemebnt System	250 000	-	-	INTERNAL
13	Performance Management System	1 500 000	-	-	INTERNAL
14	GIS System	300 000	-	-	INTERNAL
15	Computer/Laptops	200 000	-	-	INTERNAL
16	Office Furniture	300 000	-	-	INTERNAL
17	SMME Direct Funding	140 000	-	-	INTERNAL
	TOTAL	63 523 000	57 114 000	56 793 000	

1.7 Annual Budget Tables -

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary

NC094 Phokwane - Table A1 Budget Summary

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	25,684	27,607	27,043	40,882	40,882	40,882	27,674	28,759	30,024	31,375
Service charges	141,718	146,283	131,213	134,068	170,068	170,068	144,404	154,867	161,540	168,810
Investment revenue	1,434	2,500	690	3,014	3,014	3,014	-	3,158	3,297	3,446
Transfers recognised - operational	128,683	115,940	140,474	119,038	99,038	99,038	47,891	118,133	137,589	145,606
Other own revenue	33,208	46,311	33,096	31,382	33,362	33,362	37,354	32,888	34,346	35,891
Total Revenue (excluding capital transfers and contributions)	330,648	338,641	332,517	328,385	346,365	346,365	257,323	337,816	366,797	385,129
Employee costs	85,437	84,901	78,742	94,501	86,068	96,068	83,300	83,365	107,718	112,348
Remuneration of councillors	7,845	6,340	3,466	5,085	5,085	5,085	6,389	5,329	5,564	5,814
Depreciation & asset impairment	71,738	37,258	0	70,948	70,948	70,948	-	70,948	74,070	77,403
Finance charges	31,747	21,738	-	79	30	30	-	82	86	90
Inventory consumed and bulk purchases	82,568	79,678	72,205	173,082	180,566	180,566	73,255	138,810	157,905	165,010
Transfers and grants	1,365	1,212	964	1,312	1,312	1,312	6	1,375	1,435	1,500
Other expenditure	112,688	96,887	26,676	126,050	134,155	134,155	37,035	124,285	129,572	135,338
Total Expenditure	393,310	328,026	182,052	471,057	488,174	488,174	189,586	444,203	476,260	487,593
Surplus/(Deficit)	(62,662)	10,615	150,464	(142,661)	(141,809)	(141,809)	57,337	(106,387)	(109,463)	(112,374)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	23,008	30,127	23,715	52,626	52,626	52,626	51	56,538	63,677	66,410
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)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(39,653)	40,742	-	(90,035)	(89,183)	(89,183)	57,389	(49,849)	(45,876)	(45,965)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(39,653)	40,742	-	(90,035)	(89,183)	(89,183)	57,389	(49,849)	(45,876)	(45,965)

Capital expenditure & funds sources										
Capital expenditure	61,852	34,803	44,397	63,963	85,372	85,372	24,147	63,523	57,114	56,793
Transfers recognised - capital	38,979	33,888	15,256	50,568	81,822	81,822	16,663	56,536	57,114	56,793
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	14,176	915	29,140	3,394	3,550	3,550	7,484	6,986	-	-
Total sources of capital funds	53,146	34,803	44,397	63,963	85,372	85,372	24,147	63,523	57,114	56,793
Financial position										
Total current assets	140,417	228,340	306,372	215,496	226,984	226,984	372,802	210,976	183,205	159,049
Total non-current assets	1,282,773	1,281,063	1,325,480	1,278,562	1,289,571	4,497,110	103,277	1,278,122	1,258,880	1,238,271
Total current liabilities	317,811	413,470	489,759	443,599	164,642	(155,050)	180,429	31,532	92,780	83,980
Total non-current liabilities	136,526	140,894	140,894	136,407	136,407	(136,407)	-	146,303	146,303	146,303
Community wealth/Equity	865,831	1,106,878	1,031,935	915,054	1,225,906	1,225,906	295,648	1,251,165	1,203,002	1,157,037
Cash flows										
Net cash from (used) operating	(296,680)	(199,726)	127,720	53,655	33,655	33,655	85,966	34,177	41,886	45,757
Net cash from (used) investing	-	-	(30,213)	(63,963)	(63,963)	(63,963)	(27,706)	(63,523)	(57,114)	(56,793)
Net cash from (used) financing	-	-	639	-	-	-	981	-	-	-
Cash/cash equivalents at the year end	(296,680)	(199,726)	139,841	25,871	5,871	5,871	129,510	2,654	(12,565)	(23,600)
Cash backing/surplus reconciliation										
Cash and investments available	13,780	41,685	95,368	25,871	5,871	5,871	7,340	2,654	(12,565)	(23,600)
Application of cash and investments	252,881	332,084	342,327	283,358	4,647	(267,689)	(97,540)	(72,439)	(61,625)	(51,880)
Balance - surplus (shortfall)	(239,101)	(290,399)	(246,959)	(257,487)	1,224	273,560	104,880	75,093	49,061	28,280
Asset management										
Asset register summary (M&V)	1,166,125	1,171,176	1,215,572	1,275,873	1,297,282	1,297,282	1,297,282	1,275,433	1,258,477	1,237,867
Depreciation	70,548	37,259	-	70,948	70,948	70,948	70,948	70,948	74,070	77,403
Renewal and Upgrading of Existing Assets	50,629	31,843	10,847	33,163	42,007	42,007	42,007	12,000	16,400	14,379
Repairs and Maintenance	5,389	6,911	9,676	11,286	17,660	17,660	17,660	11,700	10,127	10,583
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Households below minimum service level										
Water:	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Sanitation/sewage:	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Energy:	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Refuse:	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - Capital expenditure is balanced by capital funding sources, of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC094 Phokwane - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Functional											
Governance and administration		139,310	146,500	159,090	59,647	59,647	59,647	36,040	37,883	39,637	
Executive and council		93,419	104,766	121,583	3,189	3,189	3,189	433	846	973	
Finance and administration		36,891	41,714	38,107	47,458	47,458	47,458	35,607	37,037	38,664	
Internal audit		-	-	-	-	-	-	-	-	-	
Community and public safety		3,579	11,318	784	22,180	24,150	24,150	36,078	41,665	44,380	
Community and social services		1,425	9,722	(636)	17,559	17,559	17,559	17,875	21,662	22,502	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		2,155	1,596	1,419	4,621	6,591	6,591	18,202	20,003	21,858	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		39,324	8,592	28,740	53,190	53,190	53,190	54,349	60,658	64,484	
Planning and development		-	-	-	3,967	3,967	3,967	4,157	5,340	5,536	
Road transport		30,267	8,525	28,674	45,686	45,686	45,686	46,503	50,426	53,881	
Environmental protection		57	67	66	3,557	3,557	3,557	3,728	4,892	5,067	
Trading services		189,443	282,358	187,017	255,095	271,095	271,095	287,848	294,267	303,057	
Energy sources		82,995	90,138	54,682	135,157	145,157	145,157	140,406	140,758	148,001	
Water management		89,865	74,440	75,428	75,474	81,474	81,474	71,149	88,740	91,643	
Waste water management		22,987	22,527	21,995	33,425	33,425	33,425	36,447	37,007	38,672	
Waste management		13,686	15,253	14,913	10,949	10,949	10,949	20,846	22,763	23,742	
Other	4	-	-	-	-	-	-	-	-	-	
Total Revenue - Functional	2	393,656	368,768	356,232	381,021	398,991	398,991	394,354	438,473	451,538	
Expenditure - Functional											
Governance and administration		124,342	109,324	46,888	86,442	91,581	91,581	95,113	97,647	101,937	
Executive and council		23,020	18,591	12,967	16,174	22,231	22,231	20,382	21,195	22,044	
Finance and administration		101,322	81,733	33,841	70,268	69,351	69,351	74,731	76,453	79,893	
Internal audit		-	-	-	-	-	-	-	-	-	
Community and public safety		31,589	28,752	29,944	42,596	42,068	42,068	43,222	48,729	50,109	
Community and social services		25,495	23,100	24,803	35,835	34,068	34,068	38,184	41,382	43,146	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		6,094	5,653	5,342	6,761	8,000	8,000	7,038	7,347	7,678	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		43,860	12,791	10,947	34,584	35,281	35,281	33,584	34,962	36,470	
Planning and development		2,653	1,856	1,448	2,187	2,217	2,217	2,500	2,442	2,552	
Road transport		40,890	10,894	9,218	32,407	33,044	33,044	31,085	32,480	33,917	
Environmental protection		317	41	281	-	-	-	-	-	-	
Trading services		239,810	243,151	142,175	307,425	319,264	319,264	279,275	295,071	308,274	
Energy sources		75,974	80,332	65,843	174,146	173,796	173,796	149,479	156,045	163,056	
Water management		90,996	119,129	55,450	92,615	93,455	93,455	78,103	96,582	100,904	
Waste water management		41,740	24,445	11,120	30,185	37,251	37,251	32,183	31,466	32,857	
Waste management		22,089	19,245	9,762	10,470	14,763	14,763	10,529	10,978	11,457	
Other	4	-	-	-	-	-	-	-	-	-	
Total Expenditure - Functional	3	438,891	385,018	229,875	471,057	488,174	488,174	444,283	476,359	497,583	
Surplus/(Deficit) for the year		(76,944)	(16,250)	126,357	(90,035)	(89,183)	(89,183)	(49,849)	(45,876)	(45,965)	

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 2 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC094 Phokwane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC094 Phokwane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)											
Vote Description		Ref	2019/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			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											
Vote 1 - Executive & Council Administration	1		93,419	104,786	121,583	3,084	3,084	3,084	323	731	853
Vote 2 - Office Of The Municipal Manager			-	-	-	105	105	105	110	115	120
Vote 3 - Finance			36,881	41,714	38,107	47,458	47,458	47,458	35,607	37,037	38,664
Vote 4 - Corporate Services			-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services			219,710	210,883	195,692	300,671	316,671	316,671	314,351	340,693	356,938
Vote 6 - Community Services			3,636	11,385	850	28,704	31,674	31,674	43,963	51,897	54,963
Vote 7 -			-	-	-	-	-	-	-	-	-
Vote 8 -			-	-	-	-	-	-	-	-	-
Vote 9 -			-	-	-	-	-	-	-	-	-
Vote 10 -			-	-	-	-	-	-	-	-	-
Vote 11 -			-	-	-	-	-	-	-	-	-
Vote 12 -			-	-	-	-	-	-	-	-	-
Vote 13 -			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2		353,686	368,768	356,232	381,421	388,991	388,991	384,354	438,473	451,538
Expenditure by Vote to be appropriated											
Vote 1 - Executive & Council Administration	1		16,676	13,522	7,638	10,204	10,212	10,212	10,481	10,942	11,434
Vote 2 - Office Of The Municipal Manager			6,345	5,089	5,329	5,989	12,018	12,018	9,902	10,253	10,609
Vote 3 - Finance			92,062	73,580	26,762	58,677	58,702	58,702	62,159	63,327	66,177
Vote 4 - Corporate Services			9,259	8,153	7,079	10,291	10,649	10,649	12,572	13,125	13,716
Vote 5 - Technical Services			271,689	254,045	151,393	338,832	352,308	352,308	301,369	327,531	342,191
Vote 6 - Community Services			34,559	30,649	31,674	44,783	44,285	44,285	47,721	51,172	53,376
Vote 7 -			-	-	-	-	-	-	-	-	-
Vote 8 -			-	-	-	-	-	-	-	-	-
Vote 9 -			-	-	-	-	-	-	-	-	-
Vote 10 -			-	-	-	-	-	-	-	-	-
Vote 11 -			-	-	-	-	-	-	-	-	-
Vote 12 -			-	-	-	-	-	-	-	-	-
Vote 13 -			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2		438,601	385,018	229,875	471,457	483,174	483,174	444,203	476,350	487,503
Surplus/(Deficit) for the year	2		(76,944)	(16,250)	126,357	(90,035)	(89,183)	(89,183)	(49,849)	(45,876)	(45,965)

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

1. 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 organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC094 Phokwane - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Vol	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
(i thousand)	1	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
Revenue By Source											
Property sales	2	25,604	27,907	29,661	40,802	40,802	40,802	27,674	28,769	30,024	31,376
Service charges - electricity revenue	2	77,313	84,862	84,798	97,416	117,416	117,416	79,204	91,793	95,049	99,983
Service charges - water revenue	2	40,128	35,383	58,562	22,177	36,177	36,177	36,972	36,254	37,649	39,652
Service charges - sanitation revenue	2	14,777	15,419	17,351	12,674	12,674	12,674	16,758	15,600	16,290	17,019
Service charges - refuse revenue	2	9,000	10,628	11,919	1,803	1,803	1,803	11,468	11,260	11,796	12,285
Rental of facilities and equipment		109	112	71	500	500	500	17	524	547	572
Interest earned - external investments		1,434	2,008	778	3,014	3,014	3,014	-	3,156	3,297	3,446
Interest earned - outstanding debtors		29,888	33,736	31,064	30,612	30,612	30,612	30,670	32,061	33,462	35,000
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		236	417	107	270	270	270	47	283	295	309
Licences and permits		2,154	1,696	1,272	-	1,600	1,600	338	-	-	-
Agency services		-	-	148	-	170	170	32	-	-	-
Transfers and subsidies		128,883	115,948	140,474	115,029	99,029	99,029	47,881	118,133	137,689	145,606
Other revenue	2	98	2,494	2,674	10	10	10	264	19	11	11
Gains		742	7,957	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			338,648	338,641	347,556	326,395	346,365	346,365	295,326	337,916	366,797
Expenditure By Type											
Employee-related costs	2	85,437	84,501	85,967	94,501	96,009	96,009	83,300	103,363	107,718	112,348
Remuneration of councillors		7,845	6,340	3,579	8,085	5,085	5,085	6,389	5,329	5,584	5,814
Debt impairment	3	83,361	72,148	-	87,476	87,476	87,476	-	87,476	91,325	95,435
Depreciation & asset impairment	2	71,738	37,269	0	70,948	70,948	70,948	-	70,948	74,070	77,403
Finance charges		31,747	21,736	-	79	39	39	-	82	86	90
Bulk purchases - electricity	2	63,387	68,239	(25,304)	98,808	98,808	98,808	58,831	76,000	79,344	82,914
Inventory consumed	8	19,181	11,339	13,941	77,082	84,586	84,586	16,424	62,816	70,551	82,096
Contracted services		17,487	18,269	19,218	24,184	30,689	30,689	23,967	22,432	23,396	24,343
Transfers and subsidies		1,365	1,212	984	1,312	1,312	1,312	0	1,375	1,435	1,500
Other expenditure	4, 5	8,930	6,377	8,008	14,358	16,629	16,629	13,838	14,378	14,891	15,601
Losses		3,231	3	-	-	-	-	-	-	-	-
Total Expenditure			393,216	328,026	70,791	471,097	490,174	490,174	196,596	486,263	487,603

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

1. Total revenue is R337 million in 2022/23 compared to the R346 million by 2021/22. This represents a decrease of R9 million or 2.3%.
2. Revenue to be generated from property rates is R28, 7 million in the 2022/23 financial year which is a decrease of R 12 million or 29.65% compared to the R40, 8 million from the 2021/22 financial year.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue of the municipality amounting to R154, 8 million for the 2022/23 financial year and has increased from R170 million of the 2021/22 financial year.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the equitable share for the 2022/23 financial year amounts to R126 million and we have budgeted R112 million due to the unspent conditional grant money that will be deducted from the 2022/23 allocation.

Expenditure by major type

5. Employee related costs and bulk purchases are the main cost drivers within the municipality with total budgeted expenditure of R179 million and has decreased from R192 million of the previous financial year, and this is mainly due to the decreased of R20 million for bulk purchases. This was informed by the 2019/20 annual financial statements and draft of 2021/22 actuals spent.
6. Contracted services have decreased from R30, 6 million to R22, 4 million as compared to the 2021/22 financial year.

Table 3 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

NC554 Phokwane - 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 Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure - to be appropriated	3										
Vote 1 - Executive & Council Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office Of The Municipal Manager		-	97	-	-	-	-	-	-	-	-
Vote 3 - Finance		185	(56)	5,706	1,254	1,374	1,374	1,077	750	-	-
Vote 4 - Corporate Services		-	-	-	666	808	808	235	300	-	-
Vote 5 - Technical Services		52,943	34,783	28,600	61,809	83,072	83,072	22,834	81,008	52,114	58,793
Vote 6 - Community Services		2,404	-	-	98	90	90	-	1,485	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		61,852	34,803	44,307	63,863	85,372	85,372	24,347	83,523	52,114	58,793
Total Capital Expenditure - Vote		61,852	34,803	44,307	63,863	85,372	85,372	24,347	83,523	52,114	58,793

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- 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.

Table 17 MBRR Table A6 - Budgeted Financial Position

NC094 Phokwane - 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
R (thousand)											
ASSETS											
Current assets											
Cash		11,046	38,961	86,700	14,254	(5,746)	(5,746)	9,849	536	(14,682)	(25,718)
Call investment deposits	1	2,733	2,733	2,733	11,617	11,617	11,617	-	2,117	2,117	2,117
Consumer debtors	1	42,163	76,200	174,044	166,169	166,169	166,169	318,388	157,542	144,987	131,867
Other debtors		93,475	110,412	87,803	47,966	47,966	47,966	48,917	47,966	47,966	47,966
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	(15,528)	(23,012)	(23,012)	156	2,826	2,826	2,826
Total current assets		149,417	226,316	369,281	216,498	226,964	226,964	375,111	210,978	163,205	159,849
Non current assets											
Long-term receivables		-	-	-	2,689	2,689	2,689	-	2,689	403	403
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		(26,348)	(21,287)	(21,207)	36,986	36,986	36,986	-	36,986	36,986	36,986
Investment in Associates		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1,300,316	1,294,458	1,333,148	1,225,778	1,247,187	4,444,327	96,964	1,225,617	1,208,661	1,188,062
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		188	198	5,804	5,474	5,474	5,474	7,314	5,195	5,195	5,195
Other non-current assets		7,635	7,635	7,635	7,635	7,635	7,635	-	7,635	7,635	7,635
Total non current assets		1,282,773	1,281,883	1,325,486	1,278,562	1,299,971	4,497,110	103,277	1,278,122	1,258,060	1,238,271
TOTAL ASSETS		1,432,190	1,508,399	1,675,761	1,485,060	1,526,935	4,724,074	478,388	1,489,100	1,442,065	1,397,320
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	1,369	1,853	1,853	190	190	(190)	-	190	190	190
Consumer deposits		2,005	1,884	2,529	3,928	3,928	3,928	1,785	3,928	3,928	3,928
Trade and other payables	4	308,183	403,617	199,564	438,618	159,861	(159,661)	178,967	86,851	87,799	88,908
Provisions		6,333	6,915	6,915	863	863	863	-	863	863	863
Total current liabilities		317,811	413,479	219,062	443,598	184,842	(155,660)	180,732	91,632	92,780	93,960
Non current liabilities											
Borrowing		210	184	104	104	104	(104)	-	-	-	-
Provisions		136,316	140,790	140,790	136,303	136,303	(136,303)	-	146,303	146,303	146,303
Total non current liabilities		136,526	140,974	140,894	136,407	136,407	(136,407)	-	146,303	146,303	146,303
TOTAL LIABILITIES		454,337	554,453	359,956	580,005	321,249	(291,467)	180,732	237,935	239,083	240,263
NET ASSETS	5	977,853	953,930	1,324,806	915,054	1,225,986	5,015,542	297,656	1,251,165	1,203,002	1,157,057
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		186,031	1,106,878	1,028,367	915,054	1,225,905	1,225,905	295,848	1,251,165	1,203,002	1,157,037
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	186,031	1,106,878	1,028,367	915,054	1,225,906	1,225,906	295,848	1,251,165	1,203,002	1,157,037

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less 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.
- Table 66 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves

- 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.
- 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 18 MBRR Table A7 - Budgeted Cash Flow Statement

MC694 Phokwane - Table A7 Budgeted Cash Flows

Description	Ref	2016/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Forecasts		
		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		-	-	2,557	20,441	20,441	20,441	11,382	18,688	19,516	20,394
Service charges		-	-	26,409	109,117	109,117	109,117	90,261	121,516	126,771	132,476
Other revenue		-	-	907	630	630	630	22,906	817	853	892
Transfers and Subsidies - Operational	1	-	-	53,853	119,039	99,039	99,039	51,076	118,133	137,589	145,606
Transfers and Subsidies - Capital	1	-	-	10,218	52,626	52,626	52,626	59	56,538	63,677	66,410
Interest		-	-	-	3,014	3,014	3,014	-	3,168	3,297	3,446
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(174,841)	(177,587)	33,976	(250,065)	(250,065)	(250,065)	(87,497)	(264,588)	(308,721)	(323,375)
Finance charges		(31,747)	(21,739)	-	(1,128)	(1,128)	(1,128)	-	(162)	(86)	(90)
Transfers and Grants	1	(101)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(206,690)	(199,726)	127,720	63,855	33,855	33,855	88,257	34,177	41,896	46,767
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		-	-	(30,213)	(63,963)	(63,963)	(63,963)	(27,706)	(63,523)	(57,114)	(56,793)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(30,213)	(63,963)	(63,963)	(63,963)	(27,706)	(63,523)	(57,114)	(56,793)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	645	-	-	-	981	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	645	-	-	-	981	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		(206,690)	(199,726)	98,152	(10,308)	(30,308)	(30,308)	61,533	(29,346)	(15,218)	(11,026)
Cash/cash equivalents at the year begin:	2	-	-	41,095	36,179	36,179	36,179	70,289	39,300	2,054	(12,565)
Cash/cash equivalents at the year end:	2	(206,690)	(199,726)	139,246	25,871	5,871	5,871	131,821	2,054	(12,565)	(23,600)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC004 Phokwane - 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
Cash and investments available											
Cash/cash equivalents at the year end	1	(206,680)	(199,725)	139,846	25,871	5,871	5,871	131,801	2,654	(12,565)	(23,600)
Other current investments - > 90 days		220,469	241,421	(51,413)	"	"	"	(122,153)	"	"	"
Non current assets - Investments	1	"	"	"	"	"	"	"	"	"	"
Cash and investments available:		13,789	41,695	88,433	25,871	5,871	5,871	9,648	2,654	(12,565)	(23,600)
Application of cash and investments											
Unspent conditional transfers		4,660	9,654	9,649	31,765	31,765	(31,765)	2,985	31,765	31,765	31,765
Unspent borrowing		"	"	"	"	"	"	"	"	"	"
Statutory requirements	2	"	"	"	"	"	"	"	"	"	"
Other working capital requirements	3	247,140	322,420	69,700	251,535	(27,118)	(235,924)	(102,458)	(104,204)	(93,390)	(83,645)
Other provisions		"	"	"	"	"	"	"	"	"	"
Long term investments committed	4	"	"	"	"	"	"	"	"	"	"
Reserves to be backed by cash/investments	5	"	"	"	"	"	"	"	"	"	"
Total Application of cash and investments:		252,001	332,084	69,349	283,368	4,647	(267,669)	(99,473)	(72,439)	(61,625)	(51,880)
Surplus/(shortfall)		(238,211)	(290,389)	19,084	(257,497)	1,224	273,540	109,121	75,093	49,061	28,280

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. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 4 MBRR Table A9 - Asset Management

NC094 Phokwane - Table A9 Asset Management

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										
CAPITAL EXPENDITURE										
Total New Assets	1	11,831	2,900	32,550	30,800	43,365	43,365	51,433	48,714	42,414
Roads Infrastructure		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		2,223	2,920	9,168	16,062	26,399	26,399	37,912	27,214	30,663
Water Supply Infrastructure		—	—	—	8,508	9,581	9,581	1,500	—	—
Sanitation Infrastructure		—	—	—	3,276	3,276	3,276	8,126	13,500	11,751
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		2,223	2,920	9,168	26,046	26,298	26,298	47,938	40,714	42,414
Community Facilities		—	—	3,350	400	400	400	955	—	—
Sport and Recreation Facilities		9,389	—	—	—	—	—	—	—	—
Community Assets		9,389	—	3,350	400	400	400	955	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		36	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		28	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Services		—	97	5,786	2,029	2,029	2,029	1,750	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	87	5,786	2,029	2,029	2,029	1,750	—	—
Computer Equipment		—	—	—	1,215	1,301	1,301	300	—	—
Furniture and Office Equipment		185	(56)	—	210	180	180	300	—	—
Machinery and Equipment		—	—	769	—	—	—	140	—	—
Transport Assets		—	—	14,554	—	—	—	250	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2	1,021	—	1,222	90	6,457	6,457	90	—	—
Roads Infrastructure		1,021	—	—	—	6,457	6,457	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		—	—	1,222	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		1,021	—	1,222	90	6,457	6,457	90	—	—
Community Facilities		—	—	—	90	90	90	80	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		—	—	—	90	90	90	80	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Services		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Upgrading of Existing Assets	3	48,999	31,843	9,625	33,873	25,400	25,400	12,000	16,400	14,379
Roads Infrastructure		10,327	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	147	147	147	—	—	—
Water Supply Infrastructure		19,119	—	3,658	19,474	21,509	21,509	—	—	—
Sanitation Infrastructure		19,561	31,843	6,089	13,462	13,805	13,805	12,000	16,400	14,379
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—

NC094 Phokwane - Table A9 Asset Management

Description	Ref	2019/20	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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Intangible Assets		100	158	5,901	5,474	5,474	5,474	5,195	5,195	5,195
Computer Equipment		1,202	517	517	1,315	1,501	1,501	500	500	500
Furniture and Office Equipment		1,412	1,488	1,488	210	180	180	300	300	300
Machinery and Equipment		761	(1,400)	(830)	(70,108)	(70,108)	(70,108)	(69,908)	(144,038)	(221,441)
Transport Assets		5,303	4,443	16,998	14,701	14,701	14,701	14,951	14,951	14,951
Land		-	-	-	32,472	32,472	32,472	32,472	32,472	32,472
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (NDV)	5	1,166,125	1,171,176	1,215,872	1,275,873	1,297,282	1,297,282	1,275,433	1,298,477	1,237,867
EXPENDITURE OTHER ITEMS		75,809	44,178	9,671	82,234	88,688	88,688	82,646	84,196	87,985
<u>Depreciation</u>	7	70,549	37,259	-	70,948	70,948	70,948	70,948	74,670	77,483
<u>Repairs and Maintenance by Asset Class</u>	3	5,260	6,919	9,671	11,286	17,688	17,688	11,700	16,127	10,502
Roads Infrastructure		910	3,245	1,754	3,327	3,327	3,327	3,009	3,132	3,273
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		726	796	1,352	1,288	938	938	1,080	1,128	1,178
Water Supply Infrastructure		1,285	2,173	1,873	1,309	2,799	2,799	1,300	1,357	1,418
Sanitation Infrastructure		515	171	3,361	805	5,796	5,796	2,550	574	680
Solid Waste Infrastructure		1,294	189	93	809	1,200	1,200	800	835	873
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		4,799	8,584	2,432	7,388	14,860	14,860	8,738	7,826	7,342
Community Facilities		401	27	176	1,308	723	723	1,130	1,180	1,233
Sport and Recreation Facilities		1	-	-	27	27	27	28	21	22
Community Assets		403	27	176	1,335	750	750	1,158	1,201	1,255
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1	-	692	2,117	2,117	2,117	1,500	1,586	1,630
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1	-	692	2,117	2,117	2,117	1,500	1,586	1,630
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		89	83	351	415	682	682	300	313	327
Intangible Assets		89	83	351	415	682	682	300	313	327
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		97	246	121	21	50	50	20	21	22
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		75,809	44,178	9,671	82,234	88,688	88,688	82,646	84,196	87,985

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.

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 Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is 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 prioritised 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 (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

2022/23 IDP AND BUDGET PROCESS TIME-SCHEDULE FOR THE APPROVAL OF THE 2022/23 IDP, BUDGET AND SDBIP

Required in terms of Section 21(1)(b) of the MFMA

Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
1	Jun 2022	Assess the 2022/23 IDP & Budget process & adapt the process to address deficiencies, improvement and ensure integration and alignment of processes for 2021/2022 - 2026/2027	IDP Office	IDP Officer	Internal Process	30 June 2022
2	Jul 2022	Draft 2022/23 IDP and Budget process time schedule outlining the steps and timeframes for compilation of the 2021/22 IDP, Budget and two outer year's Budget and SDBIP	IDP Office	IDP Officer	MFMA s21(1)(b)	15 July 2022
3		Municipal Strategic Session to deliberate on (a) the 20/30 year Spatial Development Plan (SDP) and (b) high level strategic issues to redefine Council's short term Strategic Agenda to implement SDP.	Office of the MM	Municipal Manager Directors Executive Mayor Exco Members	Internal Process	19 and 20 July 2022

4		Attend District IDP Managers Forum Meeting-Discuss outcomes of IDP and Budget Assessments, Challenges and District Interventions i.t.o IDP and budget planning for the review process.	IDP Office	IDP Officer	Internal Process	23 July 2022
5		Ward Committee Meetings to review the prioritisation of community needs in approved IDP and discuss the process for developing Neighbourhood Plans: Communicate final approved 22/23 Budget, Tariffs and IDP to Ward Committees.	Office of the Speaker	Speaker	MSA	24 July 2022
6		Consider MEC comments and recommendations on assessment of initial IDP Document and IDP processes followed.	IDP Office	Municipal Manager Directors IDP Manager	MSA s21	31 July 2022
7		Signing of 2022/23 performance contracts for Section 57 Managers and Submission to <u>Mavco</u> . Signing of lower levels staff performance agreements.	Office of the MM	Municipal Manager	MFMA s53(1)(c)(iii)	31 July 2022

Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
8	Jul 2022	Prepare and finalise Departmental Plans	All Departments	Municipal Manager	Internal Process	31 July 2022

				Directors		
9		Final Section 57 Managers 2022/23 Performance Assessments Final Performance Assessments of <u>lower level staff</u>	MM	Municipal Manager Executive Mayor	MSA and MFMA	31 July 2022
10		Finalise logistic processes in respect of each of the IDP and budget meetings and table a business plan to Management in this regard.	IDP Office	IDP Officer	Internal Process	31 July 2022
11		Convene IDP and Budget Steering Committee Meeting. (Dry Run) Final Discussion of Public Participation Meeting Processes.	IDP Office	IDP Officer	MSA Ch 5	8 August 2022
12		Operational Budget: Salary/Wages schedules to Directors for scrutiny & Corrections	BTO	CFO Directors	Internal Process	17 August 2022
13	Aug 2022	IDP Public Participation Meetings. Communicate Capital Projects per Ward on 22/23 budget, Reconfirm / review service deliver/development priorities.	IDP Office Office of the Speaker	IDP Manager Directors Ward Councillors	MS Ch5 s29	22 – 25 August 2022
14		Consult Sector Departments to establish programme/Projects for 5 years – Inter-governmental engagements on IDP and Budget	IDP Office BTO	IDP Officer CFO	MSA Ch5 s24	27 – 29 August 2022
15		Adjustment Budget Rollovers; changes on SDBIP and KPI'S as per Adjustment Budget	BTO Corporate Services	CFO Director Corporate Services	MFMA s28	31 August 2022
16		Tabling of and briefing Council on the Draft 2022/23 IDP/Budget Process Plan for approval, including time schedules for IDP/Budget Public participation meetings.	IDP Office	IDP Officer	MFMA s21(1)(b)	31 August 2021
17		Advertise the budget process and dates of IDP/Budget Public meetings on Municipal Website, Municipal Newsletter and Local Newspapers	IDP Office	IDP Officer Municipal Manager	MSA and MFMA	3 September 2022
18		Attend District IDP Managers Forum Meeting. Develop uniform guidelines for IDP/Budget review.	IDP Office	IDP Officer Municipal Manager	Internal Process	3 September 2022
19	Sep 2022	Forward adjustment budget (hard and electronic copies) to National Treasury and Provincial Treasury after approval.	BTO	CFO	MFMA s28(7)	3 September 2022
20		Review of Municipal Strategic Plan Workshop with Council: Review Municipal KPA and Strategic Objectives	Office of the MM	Municipal Manager Directors Council	Internal Process	3 – 28 September 2022

Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
21	Sep 2022	Operational Budget: Salary/Wages schedules with corrections and recommendations to be returned to Finance Department	All Departments	Directors CFO	Internal Process	28 September 2022
22		Attend Quarterly Provincial IDP Manager Forum Meeting in preparation for IDP Indaba 2	IDP Office	IDP Officer	Internal Process	28 September 2022
23	Oct 2022	Two Day Neighbourhood Development Session with Wards to prepare Draft Neighbourhood Development Plans	IDP Office	IDP Officer	Internal Process	1 & 2 October 2022
24		Directorates to be provided with the previous financial year 5-year Capital Plan in order to be able to indicate any changes that need to be made and identify any new projects that needs to be added for the compilation Draft Capital Budget	BTO	CFO Directors	Internal Process	5 October 2022
25		Ward Committee Meetings: Discuss, scrutinise and prioritize community needs as outcome of IDP/ Budget public engagement sessions. Escalate community needs relating to national/ provincial mandates to relevant organ(s) of state	IDP Office	IDP Officer	MSA	8 – 12 October 2022
26	Oct 2021	Review and costing of municipal rates and tariffs. Preparation of tariffs and bulk resource (water (WaterBoard), electricity (NERSA), etc.) engagement documentation. Directors to be provided with the previous year's operating expenditure / income actual and current year projections to be used as a base for new Operating Budget,	BTO	CFO Directors	Internal Process	15 October 2021
27		Attend District Stakeholders Engagement Session to inform Sector Departments and Stakeholders of IDP/Budget needs analysis.	IDP Office	IDP Officer	Internal Process	16 October 2022
28		Table Revised Strategic Plan in Council for approval	Office of the MM	Municipal Manager	Internal Process	30 October 2022
29		Review Municipal Spatial Development Framework	Planning and Development	Director Planning and Development	Internal Process	31 October 2021

30		Submit Quarterly Report (July 2022 – September 2022) on implementation of budget and financial state of affairs to Council	Office of the MM	Executive Mayor	MFMA s52(d)	31 October 2022
Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
31	Oct	Engagements with Provincial Government regarding any adjustments to projected	BTO	CFO	MFMA s28	

	2022	allocations for next 3 years in terms of the MTREF		Directors		31 October 2022
32		Updating and review of strategic elements of IDP in light of the focus of Council	IDP Office	IDP Officer	MSA	31 October 2022
33	Nov 2022	Operational Budget: Income / Expenditure inputs and statistics to be returned to Budget Office	All Departments	Directors	Internal Process	19 November 2022
34		Directors Identify/Create Projects as outcome of the prioritisation of development needs during IDP public engagements sessions with projected budget allocations.	All Departments	CFO Directors	MSA	5 – 23 November 2022
35		Convene IDP/ Budget Steering Committee Meeting: Identify projects per Ward with Budget Allocations; prioritise implementation and integration where possible.	IDP Office	IDP Officer IDP Steering Committee	MSA s74 and 75	23 November 2022
36		Review Municipal Strategies, objectives, KPA's, KPI's and targets. - Identification of priority IDP KPI's incorporate in IDP and link to budget	IDP Officer	IDP Steering Committee CFO	MSA and MFMA	1 – 30 November 2022
37		Capital Budget: Inputs from the different Directorates to be returned to the Budget Office	All Departments	Directors	Internal Process	30 November 2022
38		Executive management articulates outcomes, objectives, priorities and outputs desired for next three years and submit	All Departments	Budget Steering Committee	Internal Process	30 November 2022

		capital budget project proposals for draft IDP Review document to Budget Office		Executive Management		
39		Based on financial statements of 2022/23 determine municipality's financial position & assess its financial capacity & available funding for next three years	BTO	CFO	Internal Process	30 November 2022
40		Finalise Salary Budget for 2022/2023	BTO	CFO	Internal Process	30 November 2022
41		Submit Bulk Resource documentation (water (Water Board), electricity (NERSA)) for consultation on municipal tariffs for 2022/23 and the two outer Budget years.	BTO	CFO	Internal Process	30 November 2022
42	Dec 2022	Finalise preliminary projections on operating revenue and expenditure budget for 2022/2023	BTO	CFO	Internal Process	10 December 2022
43	Dec 2022	Convene IDP Representative Forum Meeting to give feedback and discuss outcome of Budget steering committee meeting	IDP Office	Municipal Manager IDP Officer CFO	MSA	14 December 2022
Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
44	Dec 2022	Workshop 1: draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.	IDP Office	Mayor Municipal Manager IDP Officer CFO	MFMA & MSA	Late November/ early December 2022
45	Dec 2022	Finalise expenditure on operational budget for the budget year and two outer years.	BTO	CFO	Internal Process	21 December 2022
46	Dec 2022	Conclusion of Sector Plans and integration into the IDP document	IDP Office	IDP Officer	MSA	21 December 2022
47	Dec 2022	Finalise departmental Plans and link to IDP	All Departments	IDP Officer Directors	MSA	21 December 2022
48	Jan 2023	Request and/ or follow-up with Water Board/ NERSA/ other Bulk Service providers for feedback on proposed municipal 2021/22 – 2025/26 tariffs and engagement documentation submitted in Nov 2019	BTO	CFO	MFMA	15 January 2023
49	Jan 2023	Submit Draft IDP, Budget and SDBIP to Director Corporate Services with proposed schedule of Ward Committee Meetings for	IDP Office	IDP Officer	MSA	18 January 2023

		post IDP & Budget Feedback & Consultation Process				
50		Executive Management finalise the draft IDP & Capital Budget for referral to IDP & Budget Steering Committees	Office of the MM	Municipal Manager Directors	Internal Process	21 January 2023
51		Tabling of 2022/23 Mid-Year Assessment (to potentially influence 2023/24) to Council	Office of the MM	Municipal Manager Directors	MFMA s72	25 January 2023
52		Meetings and formal consultation with Bulk Service Providers (ESCOM and relevant Water Board on bulk purchase price increase assumptions	BTO	CFO	MFMA s2(e)(aa)	28 & 29 January 2023
53		Submit Quarterly Report (Oct 2022 – Dec 2022) on implementation of budget and financial state of affairs to Council. Consider combining with MFMA S. 72 mid-year performance assessments.	Office of the MM	Executive Mayor	MFMA s52(d)	30 January 2023
54		Tabling of 2020/21 Annual Report to Council	Office of the MM	Municipal Manager	MFMA s127(2)	31 January 2023
55		Convening Budget Steering Committee Meeting for the purpose to discuss and prioritise draft Capital projects for the next three years	Office of the MM	Budget Steering Committee	MFMA s53	31 January 2023
56		Final review of municipal strategies, objectives, KPA's, KPI's and targets	IDP Office	IDP Manager IDP Steering Committee	Internal Process	31 January 2023
Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
57	Jan 2023	Review all budget related policies	BTO	CFO	MBRR 7	2 - 31 January 2023
58		Adjustment Budget: Finalise Capital and Operational budget projections for 2021/2022	BTO	CFO	MBRR 21	31 January 2023
59	Feb 2023	Submit Annual Report to Auditor General, Provincial Treasury and COGHSTA	Office of the MM	Municipal Manager	MFMA s(127)(5)(b)	1 February 2023
60		Directors Identify projects and forward local Budget Needs priorities to Frances Baard DM. Project alignment between Frances Baard DM and Phokwane Local Municipality	All Departments	Directors	Internal Process	1 - 8 February 2023
61		Ward Committee Meetings: Discuss and brief Ward Committees about Council's revised strategic plan, Strategic Objectives and envisaged deliverables.	IDP Office	IDP Officer	Internal Process	4 - 13 February 2023
62		Review tariffs and charges and determine affordable tariffs and finalise income budget.	BTO	CFO	MFMA s20	15 February 2023

63	Feb 2023	Attend Provincial IDP INDABA Incorporate Sector Departments Projects in Draft IDP.	IDP Office	IDP Officer Directors	Internal Process	20 February 2023
64		Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget, e.g. Grant Allocations	Office of the MM BTO	Municipal Manager CFO	MFMA21(2)(c)	15 – 22 February 2023
65		Attend District IDP Managers Forum Meeting to discuss the alignment of IDP Strategic Development Goals with Frances Baard DM. Draft IDP Presentations.	IDP Office	IDP Officer	Internal Process	25 February 2023
66		Present Draft IDP and Budget to Steering Committees for quality check	IDP Office BTO	IDP and Budget Steering Committees	MBRR 4	27 February 2023
67		Submit first draft IDP to Frances Baard DM for Horizontal Project alignment between the Frances Baard DM and Phokwane Local Municipality	IDP Office	IDP Officer	Internal Process	28 February 2023
68		Table Adjustment Budget to Council for approval	Office of the MM	Municipal Manager	MBRR 23	28 February 2023
69		Amend IDP, SDBIP, KPI's and performance agreements i.t.o adjustment budget	Office of the MM	Municipal Manager Directors	MFMA s28	28 February 2023
70	Mar 2023	Present Draft IDP and Budget to Steering Committees for quality Check (Including recommendations / adjustments made at meetings of 27 February 2023)	IDP Office BTO	IDP and Budget Steering Committees	MBRR 4	6 March 2023
Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
71	Mar 2023	Workshop 2: draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.	IDP Office BTO	IDP Officer CFO	Internal Process	11 & 12 March 2023
72		Forward Adjustment Budget (hard and electronic copies) to National and Provincial Treasury after approval	BTO	CFO	MBRR 24	14 March 2023
73		Publication of approved Adjustment Budget after approval per MSA and on municipal website	BTO	CFO	MBRR 26	14 March 2023
74		Municipal Manager presents final draft IDP, Budget, SDBIP and Budget related policies to the <u>Mavor</u> for perusal and tabling to Council	Office of the MM	Municipal Manager	Internal Process	18 March 2023

75		Municipal Manager submit draft IDP, Budget, and Related Policies to Director Corporate Services for inclusion in Council Meeting Agenda	Office of the MM	Municipal Manager	Internal Process	20 March 2023
76		Table <i>(and briefing of council)</i> draft IDP, Budget, SDBIP and Related policies and proposed schedule of Ward Committee Meetings for IDP & Budget Feedback/Consultation Process to Council (Principal Approval)	Office of the MM	Municipal Manager	MFMA s16	28 March 2023
77		Training workshop for councillors to equip councillors for <u>Public</u> participation meetings. Briefing of councillors on logistical arrangements for public participation meetings.	Office of the MM	Municipal Manager And Sec 57 Managers, etc.	MFMA	29 March 2023
78		Council to Consider and adopt an oversight report on 2020/21 Annual Report	Office of the MM	Municipal Manager	MFMA s129(1)	28 March 2022
80	Apr 2023	Advertise & <u>Inviting</u> public comments on Draft Budget, Proposed Tariffs, and IDP Place copies of Draft Budget and IDP at all municipal buildings.	Corporate Services BTO	Director Corporate Services CFO	MBRR 15	2 April 2023 (Advertise) 2 – 26 April 2023 (<u>public</u> comments)
81		Forward Copy of preliminary approved <u>Budget IDP</u> , SDBIP & related documents	Office of the MM	CFO	MFMA s22(b)	12 April 2023
		(hard and electronic copies) to National & Provincial Treasury – 10 working days after tabling		IDP Officer		
82	Apr 2023	Attend District IDP Managers Forum-Present Draft IDP for input.	IDP Office	IDP Officer	Internal Process	16 April 2023
Item No	Period	Activity	Co - Ordinating Department	Responsibility	Legislative Requirement and Information	Target date
83		Public Consultation Meetings: Feedback / Consultation on preliminary approved IDP & Budget (<u>Details</u> as per Annexure A)	Office of the MM	Municipal Manager Directors	MBRR 15	15 – 22 April 2023
84		Engagement with the NC Provincial Treasury on draft budget benchmark	Office of the MM	Municipal Manager	MFMA Ch 5	24 April 2023
85	Apr 2023	CFO and Director Corporate Service analyse public and Ward Committee comments and inputs on Draft IDP and Budget and prepare recommendations for Council's perusal	Corporate Services BTO	CFO Director Corporate Services	MBRR 16(1)(a)	30 April 2023

86		Submit Quarterly Report (Jan 2023 – Mar 2023) on implementation of budget and financial state of affairs to Council	Office of the MM	Executive Mayor	MFMA s52(d)	30 April 2023
88		Directors Identify projects and forward local Budget Needs priorities to BTO. Project	All Departments	Directors	Internal Process	11 – 15 May 2023
		alignment between Frances Baard DM and Phokwane Local Municipality				
89		Review all budget related policies	BTO	CFO	MBRR 7	18 - 22 May 2023
90		Present Draft IDP and Budget to Steering Committees for quality Check (Including recommendations / adjustments)	IDP Office BTO	IDP and Budget Steering Committees	MBRR 4	28 May 2023
91		Draft Budget: Finalise Capital and Operational budget projections for 2023/2024	BTO	CFO	MBRR 21	05 June 2023
92	June 2023	Table final Draft IDP, budget & related documents to Council for approval.	Office of the MM	Municipal Manager	MFMA S24(1)	30 June 2023
		Inform local community about approved Draft IDP and Budget Detail – Place Newspaper Article and Copies at Libraries	Office of the MM	Municipal Manager	MBRR 18	30 June 2023
93	July 2023	Inform local community about approved Draft IDP and Budget Detail – Place Newspaper Article and Copies at Libraries	Office of the MM	Municipal Manager	MBRR 18	03 July 2023
94		Advertise & <u>Inviting</u> public comments on Draft Budget, Proposed Tariffs, and IDP Place copies of Draft Budget and IDP at all municipal buildings.	Corporate Services BTO	Director Corporate Services CFO	MBRR 15	03 July 2023 (Advertise) 6 – 10 July 2023 (<u>public</u> comments)
95		Send copy of approved Budget, IDP, & related documents (incl. final draft SDBIP) to National and Provincial Governments and other stakeholders	IDP Office BTO	CFO IDP Officer	MFMA s24(3)	14 July 2023
96		Publication of Approved Budget and IDP within 10 workings days on Municipal Website	BTO IDP Office	CFO IDP Officer	MFMA s75(1)(a)	14 July 2023
97		Engagement with the NC Provincial Treasury on draft budget benchmark	Office of the MM	Municipal Manager	MFMA Ch 5	13 - 15 July 2023

	Present Final IDP, Budget and final draft SDBIP to Steering Committees for quality Check (Including recommendations made by all stakeholders and Council)	Office of the MM	Municipal Manager Directors	MBRR 15	21 July 2023
98	Final Budget: Finalise Capital and Operational budget projections for 2023/2024	BTO	CFO	MBRR 21	22 - 28 July 2023
99	Table final Draft IDP, budget & related documents to Council for approval.	Office of the MM	Municipal Manager	MFMA S24(1)	30 July 2023

IDP/Budget Ward Consultative Meetings

With regards to promoting community participation it was in the view of the municipality to conduct ward consultative meetings for the development of the IDP. This was as a result of the municipal area is extensive in size the municipality decided to have IDP/Budget consultative meetings per ward. The aim of these consultative meetings was to allow for broader community participation. This was important to ensure that development efforts address real needs of the community. Our municipality is inclusive of farm areas, townships and towns of which all of them have different needs. To capture these needs it became vital to split the meetings to become wards specifics. Of which this usually allows us to identify priority issues which are more relevant to an area than broadening the scope.

For this process to be successful the municipality educated the councillors about the IDP and the aim of these meeting. This assisted as the councillors were to chair the IDP/Budget ward consultative meetings so as to get the priority issues from the community. Officials also assisted in the process by loud hailing, attending meetings and providing clarity to the community as to the procedures of the IDP document.

Proposed Schedule for 2022/23 IDP and Budget Public Engagement Sessions

CHAPTER 4: MUNICIPAL STRATEGIC OBJECTIVES

4.1 KPA 1 – BASIC SERVICES

Programme Management and Advisory Services

Goal: Improved access to sustainable basic services in the municipality.

Core functions:

- Planning Facilitation
- Project Implementation Assistance
- Operation & Maintenance Assistance
- EPWP Implementation & Assistance
- Rural Roads Asset Management System
- Monitoring & Evaluation

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To ensure infrastructure upgrading, operations and maintenance.	Prioritized project lists to guide the upgrading, operations and maintenance of infrastructure in the municipality.	Number of projects to be finalized in the prioritized project lists.	100%	100%	100%	100%	100%
	Spending allocated funds for infrastructure operations and maintenance.	Percentage of allocated budget spend annually.	100%	100%	100%	100%	100%
	Timeous submission of monitoring reports developed for infrastructure operations and maintenance in the municipality.	Number of monitoring reports submitted to Council.	100%	100%	100%	100%	100%
To create job opportunities for the unemployed through the promotion of EPWP principles.	Number of Full-time equivalents (FTEs) created as per DORA and EPWP Incentive Agreement.	Number of FTEs created.	100%	100%	100%	100%	100%
To ensure improved infrastructure planning in the municipality.	Establishment and development of an electronic systems to assist RRAMS	Number of electronic systems developed to assist with RRAMS in the municipality.	100%	100%	100%	100%	100%

	function in the municipality.						
	Percentage progress on the implementation of the RRAMS project to ensure improved infrastructure planning in the municipality as per the approved business plan.	Percentage implementation of the approved business plan.	100%	100%	100%	100%	100%
To ensure the provision of potable water, sanitation facilities, electricity and streets and storm water households in the municipality	Prioritized projects list for capital infrastructure projects in the municipality.	Number of projects finalized on the project list.	100%	100%	100%	100%	100%
	Spending all allocated funds to support capital infrastructure projects in the municipality.	Percentage of allocated budget spend annually.	100%	100%	100%	100%	100%
	Timeous submission of projects report to ensure capital infrastructure projects in the municipality.	Number of reports submitted to Council.	100%	100%	100%	100%	100%

Housing**Goal:** Facilitate the creation of sustainable human settlement in the municipality**Core functions:**

- To ensure technical and administrative support in the development of human settlement.
- Facilitate housing delivery in the municipality.
- Facilitate access to basic services.
- Augment efficient land utilisation.
- Facilitate the process to expand the property market.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To facilitate the reduction of the housing backlog.	Reviewed Human Settlement Sector Plan.	Number of Human Settlement Sector Plan reviewed annually.	100%	100%	100%	100%	100%
	Facilitate the subsidy application process.	Number of progress reports submitted to Council.	100%	100%	100%	100%	100%
Monitoring of human settlements development in the municipality	Reporting to the accreditation programme.	Number of accreditation reports to Department of COGHSTA.	100%	100%	100%	100%	100%
		Number of accreditation reports to National Department of Human Settlement.	100%	100%	100%	100%	100%

Traffic Services**Goal:** To promote public safety on public roads.**Core functions:**

- Public Safety.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To conduct safety awareness programmes.	Conduct safety awareness programmes	Number of safety awareness programmes conducted.	100%	100%	100%	100%	100%

Fleet Management

Goal: To ensure efficient management of municipal fleet.

Core functions:

- Compliance with road rules.
- Ensure safety of vehicles

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To ensure effective management of fleet	Road worthiness of municipal vehicles	Percentage of municipal vehicles	100%	100%	100%	100%	100%

KPA 2 – LOCAL ECONOMIC DEVELOPMENT (LED)

Local Economic Development

Goal: Facilitate growth, development, and diversification of the municipal economy by optimising all available resources.

Core functions:

- Promoting economic development in the municipality.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To ensure the development of a diverse economy.	Completion of programme aimed at the diversification of the municipal economy.	Percentage completion of planned diversification programmes.	100%	100%	100%	100%	100%
To ensure development of learning	Completion of programmes aimed at	Percentage completion of planned programmes.	100%	100%	100%	100%	100%

and skilful economies.	developing learning and skilful economies.						
To facilitate the development of enterprises.	Completion of programmes aimed at developing enterprises.	Percentage completion of planned programmes.	100%	100%	100%	100%	100%
To facilitate the development of inclusive economies.	Completion of programmes aimed at developing inclusive programmes	Percentage completion of planned programmes.	100%	100%	100%	100%	100%

Tourism

Goal: Ensure the development of a vibrant tourism sector that facilitate sustainable economic, environmental and social benefits in the municipality.

Core functions:

- Tourism development, promotion and marketing.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To promote tourism in Phokwane Local Municipality	Upgrading, restoration and promotion of tourist attraction.	Percentage upgrading, restoration and promoting of tourist attractions.	100%	100%	100%	100%	100%
		Percentage progress in the review of the Tourism Strategy.	100%	100%	100%	100%	100%
	Facilitate strategic partnerships and participation of tourism role-players.	Percentage implementation of annual action plans to facilitate strategic partnerships and participation of tourism role-players.	100%	100%	100%	100%	100%

4.3 KPA 3 – MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Human Resource Management

Goal: To provide a fully effective Human Resource Management & Development function in the municipality.

Core functions:

- Human Resource Management and Development.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To implement the Human Resource Strategy.	Implementation of the HR Strategy.	Percentage implementation of the HR Strategy.	100%	100%	100%	100%	100%
To comply with legislative requirements relating to human resource management and development.	Compliance with human resources management and development reporting requirements.	Percentage compliance with HRM&D reporting requirements.	100%	100%	100%	100%	100%
To ensure human resource management and development functions effectively.	Review HR Policies.	Number of HR policies reviewed.	100%	100%	100%	100%	100%

Records Management**Goal:** Provide sound records management and office support services.**Core functions:**

- Records Management Services.
- Office Support Services.
- Maintenance of Buildings

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To comply with the Provincial Archives Act in the municipality.	Provision of records management and advisory services in the municipality.	Percentage implementation of the annual records management and advisory plan.	100%	100%	100%	100%	100%
	Reports on compliance with Provincial Archives Act.	Number of reports.	100%	100%	100%	100%	100%
To provide effective and efficient office support functions.	Effective and efficient office support services.	Number of progress reports on office support services.	100%	100%	100%	100%	100%
To provide effective and cost-effective office support services.	Maintenance of municipal buildings.	Percentage maintenance of the municipal buildings.	100%	100%	100%	100%	100%

Information Communication Technology (ICT)

Goal: To provide an agile, effective, and reliable ICT support and environment within the municipality.

Core functions:

- ICT Services Management.
- ICT Strategic Support to End-Users

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To upgrade obsolete ICT infrastructure and implement agile ICT solutions within the municipality.	Upgrading of ICT infrastructure and implementation of ICT solutions within the municipality.	Percentage upgrading and implementation.	100%	100%	100%	100%	100%
To provide technical support to End-Users within the municipality.	Reports on technical support provided to End-Users.	Number of reports on technical support provided.	100%	100%	100%	100%	100%

Integrated Development Plan (IDP)

Goal: To attain credible and implementable IDP in the municipality.

Core functions:

- Integrated Development Planning

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To develop and review the municipal IDP in compliance with legislation.	Annual development and review of the IDP.	Percentage development and review of the district IDP.	100%	100%	100%	100%	100%

To ensure preparation and review of the municipal IDP.	Preparation and review of the municipal IDP.	Percentage of preparation and review of the municipal IDP.	100%	100%	100%	100%	100%
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Spatial Planning

Goal: Facilitate the development of sustainable human settlements through effective town and regional planning.

Core functions:

- To ensure spatial planning in the municipality.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To facilitate the development of urban and rural areas in accordance with the relevant legislation.	Processed land development applications received.	Percentage of land development applications received from the community.	100%	100%	100%	100%	100%
	Development of precinct plans.	Percentage progress on the development of precinct plans of the municipality.	100%	100%	100%	100%	100%
	Development of nodal plans.	Percentage development of nodal plans for the municipality.	100%	100%	100%	100%	100%
	Township revitalisation and urbanisation plans developed.	Percentage progress on township revitalisation and urbanisation plans developed for the municipality.	100%	100%	100%	100%	100%

Geographic Information System (GIS)

Goal: To provide reliable spatial information as a planning and management tool to enhance service delivery.

Core functions:

- Provision of spatial information to inform planning and decision-making.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To promote the use of GIS as a tool in the municipality	Access and maintenance of GIS in the municipality.	Percentage access and maintenance of GIS in the municipality.	100%	100%	100%	100%	100%
	Promote training and awareness of GIS in the municipality.	Number of awareness campaigns conducted.	100%	100%	100%	100%	100%

Building Control

Goal: Approval process of building plan applications and the enforcement of statutory requirements regulating buildings.

Core functions:

- Plans Examination and Approval.
- Building Inspections
- Law Enforcement
- Attend to Building related complaints, and;
- To provide Building Related Information and Advise to Public.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To promote the use of GIS as a tool in the municipality	Access and maintenance of GIS in the municipality.	Percentage access and maintenance of GIS in the municipality.	100%	100%	100%	100%	100%
To promote the use of record	Records management to deal with	Number of approved building	100%	100%	100%	100%	100%

managem nt of the Building Plans	the recoding of building plans	plans recorded.					
To promote the use of electronic Filling and submission of the Building Plans	Purchase of the relevant equipment's for the electronic filling.	Number of electronic filing recorded.	100%	100%	100%	100%	100%
To provide staffing for key positions such as plan examiner or clerk.	Filling of the vacancies	Number of vacancies filled	100%	100%	100%	100%	100%
To promote monitoring Compliance , Quality and Performanc e	Visiting work- sites and conducting inspections at various stages. Evaluating and commenting on the adequacy of supporting structures, ventilation and waste water drainage systems. Informing Owner of issues of non- compliance on site. Checking for illegal constructions and encroachment s. Issuing compliance notices.	Number of reports provided and notices issued for compliance.	100%	100%	100%	100%	100%

Performance Management System (PMS)

Goal: To maintain and improve Performance Management System within the municipality.

Core functions:

- Implementation of a Performance Management System.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To maintain a functional Performance Management System in the municipality.	Maintain a functional PMS in the municipality.	Percentage compliance on PMS in the municipality.	100%	100%	100%	100%	100%
To conduct performance management reviews within the municipality.	Quarterly performance reviews to be conducted.	Number of performance reviews conducted annually.	4	4	4	4	4

KPA 4 – GOOD GOVERNANCE AND PUBLIC PARTICIPATION**Communication and Media**

Goal: Create, strengthen, and maintain a positive opinion of the municipality through effective channels of communication.

Core functions:

- Communication and media services.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To keep the public informed on government activities in the municipality.	Communication strategy to regulate external communication in the municipality.	Percentage implementation of an annual action plan.	100%	100%	100%	100%	100%
	Development of media policies for the municipality.	Percentage development of media policies.	100%	100%	100%	100%	100%

To improve internal communication through the implementation of the internal communication plan.	Successfully implemented internal communication plan.	Percentage implementation of the internal communication plan.	100%	100%	100%	100%	100%
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Legal and Compliance

Goal: To provide an effective legal and compliance service in the municipality.

Core functions:

- Provision of legal services.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To provide legal and compliance services in the municipality.	Legal advisory and compliance services in the municipality.	Percentage provision of legal advisory and compliance services.	100%	100%	100%	100%	100%
Provision of sound legal binding contracts in the municipality.	Provision of legal contract services in the municipality.	Percentage provision of legal contract services.	100%	100%	100%	100%	100%

Internal Auditing

Goal: Provision of internal audit service in the municipality.

Core functions:

- Internal Auditing.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To evaluate the adequacy and effectiveness	Internal audits completed according to	Percentage implementation of the annual audit plans.	100%	100%	100%	100%	100%

s of control processes and assessment of compliance with legislation within the municipality	Internal Audit Plans.						
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Risk Management

Goal: Mitigate of risks, prevention and management of fraud and corruption in the municipality.

Core functions:

- Management of risk activities in the municipality.
- Prevention and management of fraud and corruption activities in the municipality.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To manage risk activities in the municipality.	Implementation of annual risk management plans in the municipality.	Percentage implementation of Risk Management Plan.	100%	100%	100%	100%	100%
To prevent and manage fraud and corruption in the municipality.	Implementation of a fraud and corruption plan for the municipality.	Percentage implementation of the fraud and corruption plan.	100%	100%	100%	100%	100%

Youth Development

Goal: Mainstream youth development, promote the advancement of youth economic empowerment and the provision of skills and training.

Core functions:

- Youth development.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To facilitate and	Coordination of	Number of engagement	100%	100%	100%	100%	100%

coordinate youth development in the municipality.	stakeholders .	platforms facilitated.					
	Youth Development Programmes coordinated within the municipality.	Percentage coordination of youth development programme.	100%	100%	100%	100%	100%

Special Programmes

Goal: Advancing special programmes among the marginalized community groups in the municipality.

Core functions:

- Facilitate special programme and commemorative days in the municipality.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To facilitate and coordinate special programme in the municipality	Facilitation and coordination of special programmes in the municipality.	Percentage completion of planned programmes.	100%	100%	100%	100%	100%

Committee Services

Goal: To provide efficient and effective coordination and support for council and its committees.

Core functions:

- Council & Committee Services.

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To ensure the effective and efficient functioning of Council in the municipality	Fully functional council and its committees.	Percentage facilitation of council and committee meetings.	100%	100%	100%	100%	100%

KPA 5 – FINANCIAL VIABILITY AND MANAGEMENT**Goals:**

- Facilitation of effective and efficient system of budgeting and reporting, in compliance with applicable legislation.
- To provide an effective system of sound financial management in revenue and expenditure in compliance with applicable legislation.
- Provide an effective and efficient supply chain management system for the municipality.

Core functions:

- Financial Compliance and Reporting in the municipality.
- Financial Management in the municipality.
- Management of Assets and Liabilities.
- Supply Chain Management

Objective	Key Performance Indicator	Unit of Measurement	Key Performance Target				
			Year 2022/23	Year 2023/24	Year 2024/25	Year 2025/26	Year 2026/27
To ensure compliance to all accounting and legislative reporting requirements.	Compliance to budgeting and reporting requirements.	Percentage compliance to legislation.	100%	100%	100%	100%	100%
To ensure effective and efficient financial management within the municipality.	Effective and efficient financial management within the municipality.	Percentage of effectiveness and efficiency of financial management .-	100%	100%	100%	100%	100%
To ensure implementation of supply chain management policies and related prescripts.	Compliance with Treasury's supply chain management system.	Percentage compliance.	100%	100%	100%	100%	100%
To ensure sound financial management practices according to National Treasury guidelines.	Compliance to legislations.	Percentage compliance.	100%	100%	100%	100%	100%

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in May 2006. It started in September 2010 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2010/11 MTREF in August.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2022/23 MTREF, based on the approved 2021/22 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2022/23 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2021/22 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2022/23 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/23 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2021/22 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2011/12 MTREF as tabled before Council on 25 March 2011 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. In addition a further development of this year's consultation process included the launch of E-based consultation. E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the City's website, and the City's call centre was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 13 to 29 April 2011, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 200 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2011/12 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The City is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- Several complaints were received regarding poor service delivery, especially waste removal backlogs and the state of road infrastructure;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- Issues were raised regarding the payment of bonuses to senior managers;
- Remuneration packages of council officials were criticized as being very high, relative their private sector counterparts within the City;
- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
- Pensioners cannot afford the tariff increases due to low annual pension increases; and

- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.

Significant changes effected in the final 2011/12 MTREF compared to the draft 2011/12 MTREF that was tabled for community consultation, include:

- The final Eskom bulk tariff increase, applicable to municipalities from 1 July 2011, was factored into the proposed consumer tariffs, applicable from 1 July 2011. This resulted in an increase of 4 per cent;
- An amount of R100 million (R50 million on the Operating Budget and R50 million on the Capital Budget) was included over the medium-term for each of the financial years equating to R300 million over the medium-term for the formalisation of informal settlements. This is in line with government prioritizing this as part of Outcome 8;
- The proposed loan amount of R950 million increased with R50 million to R1,0 billion to fund the additional R50 million per annum allocated to the Capital Budget for the 2011/12, 2012/13 and 2013/14 financial years;
- An amount of R12,5 million was allocated in the Capital Budget to fund upgrades and extensions to the call centre;
- The SALGBC parties' settlement regarding the salary dispute resulted in a preliminary amount of R64.8 million being provided for in the 2011/12 financial year;
- The 2011 Division of Revenue Act (DORA) grant allocations were finalized and aligned to the gazetted allocations; and
- Funding was allocated to address metering discrepancies and unmetered premises.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan 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 municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent

plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the City's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2011/12 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 5 IDP Strategic Objectives

2010/11 Financial Year	2011/12 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability

	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
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In order to ensure integrated and focused service delivery between all spheres of government it was important for the City to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide city planning services; and
 - Maintaining the infrastructure of the City.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the City;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the City. The five-year programme responds to the development challenges and opportunities faced by the City by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the City undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the City so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the City's IDP, associated sectoral plans and strategies, and the allocation of resources of the City and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the City;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

The following table sets out the municipalities main performance objectives and benchmarks for the 2022/23 MTREF.

Table 22 MBRR Table SA8 - Performance indicators and benchmarks

NC054 Phokwane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Actual Outcome	Actual Outcome	Actual 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
Borrowing Management											
Credit Rating	Interest & Principal Paid (Operating Expenditure)	2.1%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Changes to Operating Expenditure	Finance charges & Repayment of borrowing	55.7%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of "own" capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Going Concern	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.5	0.6	1.7	0.5	1.0	(1.5)	2.1	2.2	2.0	1.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.6	1.7	0.5	1.0	(1.5)	2.1	2.3	2.0	1.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.0	0.1	0.0	(0.0)	0.1	0.0	(0.1)	(0.3)
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	17.0%	74.1%	61.4%	61.4%	58.4%	76.4%	76.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	17.0%	74.7%	61.4%	61.4%	58.4%	76.4%	76.4%	76.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	41.0%	55.1%	75.3%	63.0%	71.3%	71.3%	140.9%	61.5%	52.7%	40.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Customer Management											
Customer System Efficiency	% of Creditors Paid Within Terms (within MPMA's 65(a))										
Customer to Cash and Investments		-118.2%	-156.4%	62.6%	148.18%	1776.3%	-1776.3%	86.6%	1183.0%	-280.0%	-143.0%
Other Indicators											
	Total Volume Losses (MVA)	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A
	Total Cost of Losses (Rand '000)	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (MVA)	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A
	Total Cost of Losses (Rand '000)	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (MVA)	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A
	Total Cost of Losses (Rand '000)	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A	\$0A
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	25.8%	25.1%	26.7%	28.8%	27.7%	27.7%	32.1%	30.6%	29.4%	29.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.2%	26.9%	35.9%	28.3%	29.2%	25.2%		32.2%	30.9%	30.7%
Repairs & Maintenance	R&M/(Total Revenue including capital revenue)	1.6%	2.0%	2.0%	3.4%	5.1%	5.1%		3.5%	2.8%	2.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	31.2%	17.4%	0.0%	21.6%	20.9%	20.5%	0.0%	21.0%	20.2%	20.1%
DP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/(Debt service payments due within financial year)	-	-	50.7	159.5	159.5	60.5	66.9	66.6	66.3	68.9
ii. O&G Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	81.0%	107.2%	153.8%	117.9%	115.5%	115.5%	288.8%	111.6%	100.4%	88.5%
iii. Cost coverage	(Available cash + investments)/priority based operational expenditure	(0.3)	(0.6)	26.8	0.3	0.2	0.2	0.7	0.1	(0.4)	(0.0)

2.2.1 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2022/23 financial year 4300 registered indigents have been provided for in the budget for an amount of R53, 5 million. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, 6 kl sanitation and free waste removal equivalent to 85ℓ once a week.

The budget allocation is as follows:

FREE BASIC SERVICE	AMOUNT
Water	20 609 000
Electricity	6 880 000
Sanitation	14 973 000
Refuse	11 124 000
TOTAL	53 586 000

2.3 Overview of budget related policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.3.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council on 24 June 2022. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions are as follows:

1. Only a consumer who is an account holder of a municipal account, will be allowed to enter into an agreement for the payment of arrears in instalments.
2. Businesses can also enter into payment agreements of up to and not more than 6 months.
3. All consumers (households and businesses) on electricity prepaid services with arrears of 30 days and above will be furnished with a final demand notice, informing them that should they fail to settle the arrears and make payment arrangements, 40% of the amount of prepaid electricity bought by the consumer will be allocated to the arrears, without further notice or correspondence. The same will apply to consumers who defaults in their payment arrangements.
4. Municipal manager may, when a debtor is in arrears, commence legal process against that debtor, which the process could involve final demands, restrictions, summonses, judgements, garnishee orders and sales in execution of immovable property. will include the lowering of the credit periods for the down payment of debt.

2.3.2 Review of Asset Management, Infrastructure Investment and Funding Policy

There were no changes or review in terms of asset management policy from the 2021/22 financial year

2.3.3 Review Asset Disposal Policy

Goods are sold "VOETSTOOTS" and no claims will be considered by the municipality by virtue of incorrect description, quantity, inferior quality, condition, or any other ground whatsoever. No guarantees, warranties or any undertaking will be given by the municipality in this regard. Prospective buyers are therefore advised to inspect the lots or goods before an offer is made.

2.3.4 Infrastructure and Procurement and Delivery Management Policy

There were no changes or review in terms of asset management policy from the 2021/22 financial year.

2.3.5 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed as follows:

1. Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three [3] months; or if the bidder lives in the rural area, he or she should get proof of residence from the chief of the village of the area, if municipal account is in arrears a signed repayment plan with the municipality to be attached and; Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
2. Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three [3] months; or if the bidder lives in the rural area, he or she should get proof of residence from the chief of the village of the area, if municipal account is in arrears a signed repayment plan with the municipality to be attached and; Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

2.4.6 Subsistence and Travelling Allowance Policy

The Subsistence and Travelling Allowance was reviewed as follows:

1. A representative of the municipality must submit a claim of his or her subsistence allowance, as provided in this policy, before embarking on any official trip.
2. The subsistence allowance will be paid within three (3) or four (4) days after the planned trip.
3. In order to facilitate timeous payment, the following information should be submitted:
 - S&T claim form signed by the head of department and the Municipal Manager
 - Invoice or proof of expenditure where applicable
 - Attendance register for the meeting, training or workshop attended
4. All the accommodation arrangements will be done via a Travelling agency
5. The meals and incidental costs per day will be R480.
6. Officials are allowed to claim for sleeping at friend or relative during the trip if they don't want to sleep at a hotel or guesthouse. The amount for per day for sleeping at a friend or relative is R900.
7. No subsistence costs will be paid to any candidate invited for an interview, but travelling costs at R3.98 per kilometer may be paid as prescribed from time to time by the South African Revenue Services irrespective of the vehicle engine capacity and if the candidate has to travel more than 50km to attend the interview.

2.3.6 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. There were no changes or review to the policy.

2.3.7 Cash Management and Investment Policy

There were no changes or review to cash management and investment policy. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.3.8 Tariff Policies

The changes or review to tariff policy is that electricity tariff is 7.47%, water, sanitation and refuse are 6%. The other tariff components which can be found in the policy document.

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All the above policies are available on the municipality's website, as well as other budget related policies not mentioned here.

2.4 Overview of budget assumptions

2.4.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2022/23 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs. The wage agreement SALGBC should be concluded with the municipal workers unions on 31 July 2022.

2.4.2 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (51.6 per cent) of annual billings. Cash flow is assumed to be 65 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.3 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.4.4 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 23 MBRR Table A7 - Budget cash flow statement

NC094 Phokwane - Table A7 Budgeted Cash Flows

NC094 Phoenix - Table A7 Budgeted Cash Flows								2022/23 Medium Term Revenue & Expenditure Framework		
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome		
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		--	--	2,557	20,441	20,441	20,441	11,302	18,686	19,516
Service charges		--	--	25,409	109,117	109,117	109,117	90,261	121,516	126,771
Other revenue		--	--	907	630	630	630	22,966	817	853
Transfers and Subsidies - Operational	1	--	--	53,853	119,039	99,039	90,039	51,076	118,133	137,888
Transfers and Subsidies - Capital	1	--	--	10,218	52,626	52,626	52,626	59	56,538	63,677
Interest		--	--	--	3,014	3,014	3,014	--	3,158	3,297
Dividends		--	--	--	--	--	--	--	--	--
Payments										
Suppliers and employees		(174,841)	(177,987)	33,976	(250,085)	(250,085)	(250,085)	(87,497)	(284,586)	(309,721)
Finance charges		(51,747)	(21,739)	--	(1,128)	(1,128)	(1,128)	--	(52)	(85)
Transfers and Grants	1	(181)	--	--	--	--	--	--	--	--
NET CASH FROM/(USED) OPERATING ACTIVITIES		(206,680)	(199,726)	127,720	53,055	33,855	20,655	88,257	54,177	41,896
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		--	--	(30,213)	(63,963)	(63,963)	(63,963)	(27,706)	(63,523)	(57,114)
NET CASH FROM/(USED) INVESTING ACTIVITIES		--	--	(30,213)	(63,963)	(63,963)	(63,963)	(27,706)	(63,523)	(57,114)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		--	--	--	--	--	--	--	--	--
Borrowing long term/refinancing		--	--	--	--	--	--	--	--	--
Increase (decrease) in consumer deposits		--	--	645	--	--	--	981	--	--
Payments										
Repayment of borrowing		--	--	--	--	--	--	--	--	--
NET CASH FROM/(USED) FINANCING ACTIVITIES		--	--	645	--	--	--	981	--	--
NET INCREASE/ (DECREASE) IN CASH HELD		(206,680)	(199,726)	98,152	(10,308)	(30,308)	(30,308)	61,533	(28,246)	(15,218)
Cash/cash equivalents at the year begin:	2	--	--	41,695	36,179	36,179	36,179	70,269	32,000	2,354
Cash/cash equivalents at the year end:	2	(206,680)	(199,726)	139,846	25,871	5,871	5,871	131,801	2,854	(12,565)

2.5 Monthly targets for revenue, expenditure and cash flow

Table 25 MBRR SA25 - Budgeted monthly revenue and expenditure

NC094 Phokwane - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source																	
Property rates			2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397	28,769	30,024	31,37
Service charges - electricity revenue			7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	91,753	95,649	99,96
Service charges - water revenue			3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	36,254	37,849	39,55
Service charges - sanitation revenue			1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,809	16,286	17,01
Service charges - refuse revenue			938	938	938	938	938	938	938	938	938	938	938	938	11,280	11,756	12,28
Rental of facilities and equipment			44	44	44	44	44	44	44	44	44	44	44	44	524	547	57
Interest earned - external investments			263	263	263	263	263	263	263	263	263	263	263	263	3,158	3,297	3,44
Interest earned - outstanding debtors			2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	2,673	32,061	33,492	35,06
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			24	24	24	24	24	24	24	24	24	24	24	24	283	295	30
Licences and permits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies			9,844	9,844	9,844	9,844	9,844	9,844	9,844	9,844	9,844	9,844	9,844	9,844	118,133	137,589	145,86
Other revenue			1	1	1	1	1	1	1	1	1	1	1	1	19	11	1
Gains			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)			28,151	28,151	28,151	28,151	28,151	28,151	28,151	28,151	28,151	28,151	28,151	28,151	287,616	296,797	305,12
Expenditure By Type																	
Employee related costs			8,614	8,614	8,614	8,614	8,614	8,614	8,614	8,614	8,614	8,614	8,614	8,614	103,365	107,719	112,34
Remuneration of councillors			444	444	444	444	444	444	444	444	444	444	444	444	5,329	5,584	5,81
Debt repayment			7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	87,476	91,325	95,43
Depreciation & asset impairment			5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	70,940	74,071	77,40
Freight charges			7	7	7	7	7	7	7	7	7	7	7	7	82	86	9
Bulk purchases - electricity			6,333	6,333	6,333	6,333	6,333	6,333	6,333	6,333	6,333	6,333	6,333	6,333	76,000	79,344	82,91
Inventory consumed			5,235	5,235	5,235	5,235	5,235	5,235	5,235	5,235	5,235	5,235	5,235	5,235	62,618	78,581	82,88
Contracted services			1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	22,432	23,358	24,34
Transfers and subsidies			115	115	115	115	115	115	115	115	115	115	115	115	1,375	1,435	1,50
Other expenditure			1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	14,370	14,891	15,58
Losses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			37,017	37,017	37,017	37,017	37,017	37,017	37,017	37,017	37,017	37,017	37,017	37,017	444,205	476,338	497,58
Surplus/(Deficit)																	
Transfers and subsidies - capital (monetary allocations) (Unfunded / Provincial and District)			(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(8,866)	(106,387)	(108,553)	(112,37)
Transfers and subsidies - capital (monetary allocations) (Unfunded / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712	56,538	63,677	66,44
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(48,848)	(45,876)	(45,94)
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to municipalities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			1	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(48,848)	(45,876)	(45,94)

Table 26 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NC094 Phokwane - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year +1 2023/24	Budget Year +2 2024/25	
Revenue by Vote																
Vote 1 - Executive & Council Administration		27	27	27	27	27	27	27	27	27	27	27	27	323	731	853
Vote 2 - Office Of The Municipal Manager		9	9	9	9	9	9	9	9	9	9	9	9	110	115	120
Vote 3 - Finance		2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	35,007	37,037	38,664
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		26,196	26,196	26,196	26,196	26,196	26,196	26,196	26,196	26,196	26,196	26,196	26,196	314,351	340,693	355,938
Vote 6 - Community Services		3,664	3,664	3,664	3,664	3,664	3,664	3,664	3,664	3,664	3,664	3,664	3,664	43,963	51,897	54,963
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		32,863	32,863	32,863	32,863	32,863	32,863	32,863	32,863	32,863	32,863	32,863	32,863	394,354	439,473	461,536
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council Administration		873	873	873	873	873	873	873	873	873	873	873	873	10,481	10,542	11,434
Vote 2 - Office Of The Municipal Manager		825	825	825	825	825	825	825	825	825	825	825	825	9,902	10,253	10,609
Vote 3 - Finance		4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	4,930	59,163	60,165	62,904
Vote 4 - Corporate Services		1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	12,572	13,125	13,716
Vote 5 - Technical Services		25,114	25,114	25,114	25,114	25,114	25,114	25,114	25,114	25,114	25,114	25,114	25,114	301,969	327,551	342,191
Vote 6 - Community Services		4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	50,721	54,304	56,649
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		32,867	32,867	32,867	32,867	32,867	32,867	32,867	32,867	32,867	32,867	32,867	32,867	444,263	476,359	487,263

Table 67 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NC994 Phoenix - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Forecasts		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +2 2025/26	
Revenue - Functional																
Government and administration																
Executive and council		3,003	3,006	3,006	3,006	3,006	3,006	3,003	3,003	3,003	3,006	3,006	3,000	37,633	59,837	
Finance and administration		36	36	36	36	36	36	36	36	36	36	36	36	433	973	
Internal audit		2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	2,967	35,967	-	
Community and public safety		3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	38,428	44,360	
Community and social services		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	17,375	22,502	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety		1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	20,063	21,358	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services																
Planning and development		4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	54,309	60,808	
Road transport		346	346	346	346	346	346	346	346	346	346	346	346	4,157	5,340	
Environmental protection		3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	46,503	53,061	
Trading services		311	311	311	311	311	311	311	311	311	311	311	311	3,735	4,802	
Energy services		22,321	22,321	22,321	22,321	22,321	22,321	22,321	22,321	22,321	22,321	22,321	22,321	267,348	300,817	
Water management		11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	11,701	140,358	148,361	
Waste water management		5,029	5,029	5,029	5,029	5,029	5,029	5,029	5,029	5,029	5,029	5,029	5,029	60,740	91,343	
Waste management		2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	35,447	38,872	
Other		1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	22,263	23,762	
Total Revenue - Functional		22,983	22,983	22,983	22,983	22,983	22,983	22,983	22,983	22,983	22,983	22,983	22,983	304,648	420,473	
Expenditure - Functional																
Government and administration																
Executive and council		7,678	7,678	7,678	7,678	7,678	7,678	7,678	7,678	7,678	7,678	7,678	7,678	92,115	94,916	
Finance and council		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	20,382	21,195	
Finance and administration		5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	73,231	76,620	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		3,788	3,788	3,788	3,788	3,788	3,788	3,788	3,788	3,788	3,788	3,788	3,788	46,523	48,729	
Community and social services		3,182	3,182	3,182	3,182	3,182	3,182	3,182	3,182	3,182	3,182	3,182	3,182	38,184	41,382	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety		506	506	506	506	506	506	506	506	506	506	506	506	7,947	7,678	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services																
Planning and development		2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	2,954	38,034	38,743	
Road transport		458	458	458	458	458	458	458	458	458	458	458	458	5,574	5,625	
Environmental protection		2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,591	31,896	33,917	
Trading services		22,525	22,525	22,525	22,525	22,525	22,525	22,525	22,525	22,525	22,525	22,525	22,525	270,275	288,071	
Energy services		12,457	12,457	12,457	12,457	12,457	12,457	12,457	12,457	12,457	12,457	12,457	12,457	140,479	153,056	
Water management		6,509	6,509	6,509	6,509	6,509	6,509	6,509	6,509	6,509	6,509	6,509	6,509	78,163	90,904	
Waste water management		2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	35,852	38,857	
Waste management		877	877	877	877	877	877	877	877	877	877	877	877	10,529	11,457	
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Functional		37,817	37,817	37,817	37,817	37,817	37,817	37,817	37,817	37,817	37,817	37,817	37,817	444,208	487,583	
Surplus/(Deficit) before taxes		(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(40,560)	(45,945)	
Share of surplus/(deficit) of subsidiary																
Surplus/(Deficit)	1	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(4,154)	(40,560)	(45,945)	

Table 7 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

MCO04#Phokwane - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

R Ref	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
1	Multi-year expenditure to be appropriated		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 1 - Executive & Council Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 2 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 3 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Capital multi-year expenditure sub-fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Single-year expenditure to be appropriated		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Vote 1 - Executive & Council Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Vote 2 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Vote 3 - Finance		63	63	63	63	63	63	63	63	63	63	63	63	750	-	-
7	Vote 4 - Corporate Services		25	25	25	25	25	25	25	25	25	25	25	25	300	-	-
8	Vote 5 - Technical Services		5,087	5,087	5,087	5,087	5,087	5,087	5,087	5,087	5,087	5,087	5,087	5,087	91,838	-	56,793
9	Vote 6 - Community Services		120	120	120	120	120	120	120	120	120	120	120	120	1,435	-	-
10	Vote 7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Capital single-year expenditure sub-fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Total Capital Expenditure		5,354	5,354	5,354	5,354	5,354	5,354	5,354	5,354	5,354	5,354	5,354	5,354	93,523	97,114	94,750

Table 8 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC994 Phokwane - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R1000000	Description	Bul	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	Governance and administration	1	88	88	88	88	88	88	88	88	88	88	88	88	1,050	-	-
	Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Financial and administrative		88	88	88	88	88	88	88	88	88	88	88	88	1,050	-	-
	Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Community and public safety		87	87	87	87	87	87	87	87	87	87	87	87	800	-	-
	Community and social services		87	87	87	87	87	87	87	87	87	87	87	87	800	-	-
	Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Roads		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Economic and non-financial services		178	178	178	178	178	178	178	178	178	178	178	178	2,125	-	-
	Planning and development		53	53	53	53	53	53	53	53	53	53	53	53	635	-	-
	Road Transport		125	125	125	125	125	125	125	125	125	125	125	125	1,500	-	-
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste services		4,962	4,962	4,962	4,962	4,962	4,962	4,962	4,962	4,962	4,962	4,962	4,962	59,838	55,194	56,790
	Energy services		3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	37,912	37,294	38,060
	Water management		125	125	125	125	125	125	125	125	125	125	125	125	1,500	-	-
	Waste water management		1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	20,125	20,900	21,130
	Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total		5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	68,833	57,114	58,790
Funded by:	Total Capital Expenditure - Functional	2	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	68,833	57,114	58,790
	National Government		4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	59,838	54,944	56,483
	Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Local Municipality		87	87	87	87	87	87	87	87	87	87	87	87	2,000	2,000	2,000
	Transfers and subsidies - capital (provincial allocations) (National/ Provincial Departments, Agencies, Households, Non-profit Institutions, Health Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers managed - capital		4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762	56,838	57,114	58,790
Total Capital Funding	Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Internally generated funds		592	592	592	592	592	592	592	592	592	592	592	592	6,985	-	-
Total Capital Funding			5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	68,833	57,114	58,790

Table 9 MBRR SA30 - Budgeted monthly cash flow

[illegible]

2.6 Municipal manager's quality certificate

I BUSISIWE MGAGULI, acting municipal manager of Phokwane Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name BUSISIWE MGAGULI

Acting Municipal manager of Phokwane Local Municipality (NC094)

Signature 

Date 24 JUNE 2022