



LEPHALALE MUNICIPALITY

DRAFT BUDGET 2022 2023

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1. REPORT OF THE HONOURABLE MAYOR

Budget Process for the municipalities is controlled by pieces of legislation.

Key to those legislations is MFMA and Municipal Systems Act 32 of 2000.

Section 16 of MFMA requires Council to table of the annual budget at least 90 days before the start of the financial year while Section 17 (2) (b) of Municipal Systems Act requires Council to establish appropriate mechanism, processes, and procedures to enable local communities to participate in the affairs of the municipality through notification and public procedures, when appropriate.

Section 53 of MFMA requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget.

The Municipality Budget also align to Chapter 2 of The Municipal Budget and Reporting Regulations, gazette on 17 April 2009, the Mayor of a 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.

This budget process started with steering committees' meetings where the priorities of the Municipality for 2022/23 Budget were identified for the preparation of the budget. Treasury guidelines for the preparation of the budget were shared with the Services Departments. Service departments submitted their budget proposals for consideration to the portfolio committee.

The 2022/23 MTREF Budget is also aligned IDP, Provincial and National Government Development plans and Priorities.

In line with Section 17 of Municipal Systems Act, The Budget, IDP and tariff proposals were published for comment and consultation as part of public comment and consultation process.

The budget Process plan was tabled to council in August 2022 with all the due dates of all activities.



2. EXECUTIVE SUMMARY

The preparation of the budget is guided by circular 112 and 115 of MFMA no 56 of 2003. The Circulars are linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (mSCOA); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

The objective of the circulars is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focusing on key “game changers”, which includes.

- ensuring that municipal budgets are funded,
- revenue management is optimized,
- assets are managed efficiently, supply chain management processes are adhered to,
- mSCOA is implemented correctly and that audit findings are addressed.

The preparation of the 2022/23 Municipality's Medium-Term Revenue and Expenditure Framework (MTREF) comes when SA has experienced the largest decline in economic outputs in 2020 due to the strict Covid 19 Lockdown. The main risk into the economic outlook is slow down in economic growth. The evolution of COVID 19 and slow progress in vaccine rollout reinforces uncertainty and possess a risk to economic recovery.

The rising unemployment and income losses have entrenched existing inequalities. The Economic growth rate will slowly improve as restrictions are removed, how the real output are expected around 2024. The impact of Covid 19 and ageing infrastructure and Economic constraints will put Pressure on the 2022/23 MTREF Budgets.

Changes on Local Government allocations

The 2022/23 Budget requires the implementation of structural reforms to maximize the value of spending, exercise prudent and compliant financial management and eradicate wasteful treatment of public funds and resources.

The 2022/23 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while reducing those spent less effectively.

The major contribution to National development Plan is to improve the lives of Lephalale Community through Poverty alleviation, rural infrastructure development while creating Jobs for the disadvantaged. Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public



employment programs .In addition, skills development will be a priority in order to improve productivity and operational efficiency.

On the capital Expenditure Municipality is dependent on Grants and operational expenditure is dependent on the Service Charges (Own revenue) and portion of Equitable shares.

This means when implementing the budget Municipality should Increase the revenue initiatives which includes, Installation of Electricity prepaid meters, cutting of water losses, charging cost reflective and affordable tariffs , accelerate Debt collection, Filling of Critical positions, Implementation of revenue enhancement .Municipality must also focus on Local Economic Development to unlock new sources of revenue .

Accurate metering and billing are important in terms of consumer confidence in the accuracy of service charges.

Municipality will also prioritize Capital Spending to avoid the withholding of funds by Treasury. Cost containment strategies will be implemented to reduce the noncore Expenditures .The municipality has also embarked a range of collection strategies to optimize the collection of revenue. To ensure on the optimization of resources Municipality must cut on operational costs which include cutting on travelling & subsistence to remove the nice to have and the use of Technology for meetings and while adhering to Covid regulations

The budget for Lephalale Municipality will address the following key areas as guided by National Government.

Short-term Priorities

- Maintenance of the infrastructure to improve reliability infrastructure network, manage head count proactively and conduct staff audit to ensure staff complements aligned to organogram ,
- Ensure operational efficiency to achieve service delivery and also addressing the challenges of Covid 19.
- Implementation of Cost containment and revenue enhancement strategies

Medium-term priorities include

- Reindustrializing through implementation of the master plans.
- growing exports through the African Continental Free Trade Area
- implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localization,
- inclusive economic growth and job creation



Long Term Focus

The planning for Lephalale VISION 2040 evolving which Includes :

- Development of Economic recovery plan with Revenue Diversification, longevity, and Long-term Financial sustainability
- Attract investments to create Jobs and capitalize on Lephalale competencies (Mining, Agriculture & tourism)
- Explore Public Private partnerships (Grey Water)
- Entities (Smart electricity and Water Metering), Zeeland)
- Apply for electricity Licenses in new areas.
- Capital investment plan vs Capital expansion
- Capitalize DBSA non lending support
 - Revenue enhancement
 - Asset Care
 - Spatial Planning

The budget will be implemented in line with the following Treasury Norms and standards:

- Revenue the Collection rate = 85 vs Treasury Norms of 95%
- Employee related Cost as percentage of Total Expenditure = 30%
- Contracted services of total Expenditure = 5%
- Infrastructure maintenance of total PPE = 5%
- Application of prepaid and flat rate at the Villages
- Indigent registrations
- Budget to include asset replacement Reserves
- Cost containment – Do more with less.
- Own funding Project should focus on Projects Revenue enhancement Projects.
- Mobilize Investments to Lephalale thought advertising and marketing
- Complete the projects under WIP .



2.1 BUDGET SUMMARY

The total budget for MTREF 2022/23 includes Total Operating Revenue is R724 million and Total Operating Revenue of R719 million resulting in the operating Surplus of R5 million.

The operating Revenue budget has changed from R667 million in 2021/2022 to R724 million in 2022/2023 FY, R766 million 2023/2024 FY and R814 million in 2024/2025 FY respectively.

The operating Expenditure budget has changed from R663 million in 2021/2022 to R719 million in 2022/2023 FY, R756 million 2023/2024 FY and R790 million in 2024/2025, resulting to a surplus of R 5 Million for 2021/22 FY and R10 million and R24 million in the outer years.

The Capital expenditure is R177 million which includes R29m Own capital Funded and R148m National Grant Funded Projects.

All tariffs have been adjusted by 4,8% for the 2022/23 Financial year except for electricity which is adjusted by 9,6% as regulated by NERSA.

Impact of COVID 19 had a negative impact on Economic growth
Below is the table showing the budget tariffs for the MTREF 2022/23

Revenue Tariff increase

Description	22/23	23/24	24/25
Rates	4,8%	4.4%	4.5%
Electricity	9,6%	4.4%	4.5%
Water	4,8%	4.4%	4.5%
Sanitation	4,8%	4.4%	4.5%
Refuse	4,8%	4.4%	4.5%

The Revenue Budget .

The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community another stakeholder to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment.

Therefore, the new leadership is advised to:



- Decisively address unfunded budgets by reducing non-priority spending and improving
- revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and
- renewal of existing assets to enable reliable service delivery.

Revenue Tariff Increase

The MTREF-based revenue and expenditure budget assumed inflation-linked annual draft budget of 4,8%, 4,4% and 4.5% respectively for the 3-years budget period of 2022/2023, 2023/2024 and 2024/2025.

The revenue tariff increases are as per MFMA Circulars 112 & 115 except for electricity charges which are increased as per Nersa regulation.

Employee related costs and remuneration of councilors R249 Million

Employee related costs : Budget R 236 Million.

The 2022/23 includes the head count of 455 permanent employees and 47 contract employees. The Salary and Wage Collective Agreement for the period 01 July 2021 to 31 June 2024 date 15 September 2021 has been approved by the Bargaining Committee of the central Council. The Municipality has made a provision 4,8 increase based on the previous Bargaining Council Increase.

The overall employee benefits is at 33% as a percentage of total operation expenditure which is in line with the Treasury norm of 30%

Additional increase of 3% on employee benefits is mainly due to the overtime and standby allowance at Service Delivery Department to address aging infrastructure challenges . In addition, the municipality has included the amount R2,5 million for the implementation of the shift system ,which will result in a saving of R6 million compared to the previous year.

Position will be staggered to ensure alignment to the norms.2% vacancy factor

The budget includes the following critical position to strengthen governance and improve service delivery. Existing Organogram has been optimized to address shortage of critical skills.

Accountant Revenue Property and Clearance L4
Accountant Budget and reporting L4
Financial system analyst L3
Operator TLB/Mechanical broom L10
Quantity Surveying L3
Manager Fleet and Workshop Management L2-1
Fleet Data Capturer /Clerk L7



Budget Includes 1% total Salary Bill for Skill development :Training will be reprioritized to Improve operational Efficiency.

The training must includes

- Capacitate internal staff to reduce overreliance on Service Providers
- Mentoring Program NBI
- Operators Training
- Fitter & Turner :training for electronics and two stroke engine:
- supervisor Role and Responsibility Training
- Health and Safety Training.
- Advance Microsoft (word, PowerPoint excel)

Remuneration of councilors- R13 Million

Remuneration of Councilors are budget in line with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

Remuneration of Municipality has increased by 4,8 % is based on previous year budget. Cell phone allowance and car allowance remained the same for remainder of their term.

Bulk Purchases - R146,4M

In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

Inventory Consumed – R35 M

The amount of Bulk water is R14 M .Other material consumed includes purchases of the materials for maintenance of Infrastructure network inhouse.

Bulk purchase of water has been increased by 4,8 % and budgeted under inventory according to MFMA circular 115.



Contracted Service R 67M

Contracted services as a percentage of the Total Expenditure are at 9% which is within the above norm of (2% and 5%).

Additional 4% is catered for the phasing of the new service provider for Prepaid Electricity and smart water meters and replacement of the smart meters which have reached the useful life, Consultants for UIFW investigation and Compilation of the detailed integrated Development plan for 5TH Council of Lephalale Municipality. More funds have been directed to Inhouse maintenance to reduce the contracted services.

Repairs and maintenance R50M

The repairs and maintenance is R50 million which includes which includes the amount of R16million for outsourcing of External Service Provide where the municipality does not have inhouse capacity .The R34million is allocated to inventory consumed for the material and supplies from the store for inhouse maintenance. The budget also constitutes the development of the detailed plans for Sanitation and water and electricity. Priorities will also be given to infrastructure projects which will support the revenue enhancement.

Municipality has directed more funds to repairs and maintenance to align to the treasury Norm of 6%o of PPE. Municipality has submitted a business case to DWS for refurbishment of the infrastructure which will increase our infrastructure to be within the norm.

Additional allocation for refurbishment of Infrastructure assets under capital budget amounting R25 Million

- Refurbishment and upgrading of Sewer pump station Waste water treatment works Network pipes and replacement of AC Pipes Phase 1 & 2 = R10 Million
- Replacement of Lephalale Town and marapong replacement of Old AC pipes R15 Million

The total Budget for repair and maintenance will be R75Million which 5% of PPE which is in line with the Norm.

Debt Impairment R14,8 M

The budget for Debt impairment has increased from R14 million in 2022/23 R26m due to high debtors' book. The debt collector has been appointed to assist acceleration of debt collection and reduction of debt Book.



Finance Charges R14M

The finance charges are relatively low as the municipality did not take any additional loans to date.

General Expenses R82m

General Expenses constitute 11 % of the total operating expenditure which is below the norm of 10% as per Treasury MFMA budget guidelines. The amount includes the operating costs which was previously classified as contracted services financial systems and Microsoft. This reflects the impact of cost containment based on less budget on travelling and subsistence and few gatherings.

Total operating Revenue R 724 m

Property rates constitutes is R106m which constitute 15,4 % of operating revenue.

Service charges

Service charges is R348 M which 48% of the operating revenue.

Service charges for electricity has been adjusted to R251m

Service charges water has been adjusted to R52m

Sanitation Revenue has been adjusted to R 25m

Service charges refuse has been adjusted to R20,6m

The increase has been effected in line with MFMA Circular 115.

Interest on Investment

The interest on investment is R2,2M ,the Grant allocation has been reduced .The WSIG allocation received in the Current Financial year has been reallocated to Schedule 6 of DORA(Fund will be administered by National Government.

Interest on Outstanding Debtors R36million

The impact of Covid 19 has result in the in the inability of consumers to pay their debt on time. Municipality has reviewed the billing cycle to accelerate debt collection.

License and Permit R8,7m

The budgeted revenue for License and Permit has been increased in line with the CPI The relaxation of Covid 19 Regulations will improve on Revenue billed.



Strategies will be implemented to improve on revenue collection of the same.

Transfers of Grants and subsidies are reconciling as per DORA allocation for R356 million. The allocation are as follows:

TOTAL GRANTS	BUDGET 2022/2023	BUDGET 2023/2024	BUDGET 2024/2025
EQUITABLE SHARES	202 071 000	223 270 000	246 827 000
MIG - PMU	2 979 600	2 586 350	2 699 950
FMG	1 650 000	1 700 000	1 700 000
EPWP	1 292 000		
Total operating Grants	207 992 600	227 556 350	251 226 950
MIG	56 612 400	49 140 650	51 299 050
INEP	20 000 000	22 500 000	10 971 000
DEMAND SIDE MANAGEMENT GRANTS	4 000 000		5 000 000
WSIG Schedule 6 B	67 160 000	71 226 000	63 531 000
WSIG Schedule 5 B		50 832 000	52 209 000
Total Capital Grants	147 772 400	193 698 650	183 010 050
Total Grants	355 765 000	421 255 000	434 237 000

The 2022/23 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while implementing cost containment measures.

In 2022, government will expand the scope of the municipal infrastructure grant to allow municipalities to use up to 5 per cent of their allocation to develop infrastructure asset management plans. Municipality has a signed of Infrastructure master plan .The district will assist the Municipality to the preparation of water ,electricity and sanitation master plans for implementation in 2022/23 Financial year.

Municipality must explore other Grant's funding to improve service delivery and maintain the infrastructure assets.



Other revenue R4m

Other revenue includes Sundry Income i.e purchase of tender documents, Consolidation and divisions for the plans, Photocopy machines charges and payment of clearance certificates.

Revenue Management

During Level 5 lockdown Municipality offices were closed and most customers could not pay for their services which resulted to under collection of revenue. The lockdown regulations were eased the collection rate as 31 March 83%.

Municipality will continue to accelerate debt collection through , customer care and implement strategies to improve the collection rate in 2022/23 Financial Year.

Strategies includes:

Cost reflective tariffs – Charging cost effective and affordable tariffs.

Customer care – Ensure timely resolving of customer queries and improving service delivery.

Cost containment - that the operating expenses of the municipality are kept at a minimum rate .

Accelerate Debt collection - issuing of letters of demand for the payment of accounts in arrears and optimizing the recovery of funds.

Installation of smart meters and regularly service the water and electricity meters to guard against malfunctioning that may result in inaccurate billing, water or electricity leakages, or any other form of loss such as illegal connections.



3. OVERVIEW OF THE ANNUAL BUDGET PROCESS FOR THE FY 2022/2023- Compliance to regulations

Budget Process for the municipalities is controlled by pieces of legislation. Key to those legislations is MFMA and Municipal Systems Act 32 of 2000. Section 24 of MFMA requires Council to consider approval of the annual budget at least 30 days before the start of the financial year while Section 17 (2) (b) of Municipal Systems Act requires Council to establish appropriate mechanism, processes, and procedures to enable local communities to participate in the affairs of the municipality through notification and public procedures, when appropriate. Section 53 of MFMA requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget.

In terms of Chapter 2 of the Municipal Budget and Reporting Regulations, gazette on 17 April 2009, the Mayor of a 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.

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected. In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.



4. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The budget of the municipality is aligned with the IDP. All the projects appearing in the budget are also appearing in the IDP. The IDP contains all the municipal projects funded and not funded for the next five years, while the budget contains only the funded projects. The budget schedules A1 – A5 from the annual budget schedules are also presented in the IDP. The Strategic goals and objectives of the municipality from the IDP are also linked to the Budget (refer to SA4 – SA6 in the budget schedules)

5. MEASURABLE PERFORMANCE OBJECTIVES

Introduction

Chapter 6 S38 of the Municipal Systems Act (2000) (MSA) requires that every Municipality must develop a Performance Management System suitable for their own needs. The aim of performance management is to indicate how well a Municipality is meeting its priorities/goals and objectives. It gives clear guidance on the effectiveness and efficiency of policies and processes and indicates improvements required. Performance management is key to effective management. It facilitates effective accountability, enabling key stakeholders and role players to track progress and identify scope for improvement.

The performance management system is the primary mechanism to monitor, review and improve on the activities of the municipality. It must provide an integrated approach that links municipal performance to individual performance; aimed at improving planning (reviewing), budgeting, monitoring, reporting and evaluation.



6. OVERVIEW OF BUDGET RELATED POLICIES

The list of the budget related policies and the objectives of the municipality are as follows:

1. Tariff Policy

The objective of the tariff policy is to ensure that:

- a) The tariffs of the Municipality comply with the legislation prevailing at the time of implementation.
- b) The Municipal services are financially sustainable, affordable, and equitable.
- c) The needs of the indigent, aged, and disabled are taken into consideration.
- d) There is consistency in how the tariffs are applied throughout the municipality.
- e) The policy is drawn in line with the principles as outlined in the MSA

2. Credit Control and Debt Collection Policy

The objectives of the policy are to:

- a) Provide a framework within which the municipal council can exercise its executive and legislative authority regarding credit control and debt collection.
- b) Ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interest of community, residents and ratepayers and in a financially sustainable manner.
- c) Set realistic targets for debt collection.
- d) Outline credit control and debt collection policy procedures and mechanisms; and
- e) Provide a framework to link the municipal budget to Indigent support, and Tariff policies.

3. Indigent Policy

The purpose of the Policy is to provide a framework and structures to support poverty alleviation within the Municipality by providing a support programme for the subsidization of basic services to indigent households.

The policy objectives

The objective of this Policy will be to ensure the following:

- a) The provision of basic services to the approved indigent/vulnerable members of community in a sustainable manner within the financial and administrative capacity of the Municipality.
- b) Establish the framework for the identification, screening and management of indigent households including an economic rehabilitation plan where possible.
- c) The provision of procedures and guidelines for the subsidization of basic services.



4. Property Rates Policy

The key objectives of the policy are to:

- (a) Ensure that all owners of rateable property are informed about their liability to pay assessment rates.
- (b) Specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- (c) Set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;
- (d) Provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;
- (e) Recognise the state, organs of state and owners of public service infrastructure as property owners;
- (f) Encourage the development of property.
- (g) Ensure that all persons liable for rates are treated equitably as required by the Act.
- (h) Determine the level of increases in rates
- (i) Provide for exemption, rebates and reductions.

5. Supply Chain Management Policy

The objectives of this policy are to implement the legislative provisions relating to the supply chain management of the Municipality, that:

- (a) gives effect to:
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the MFMA;
 - (b) is fair, equitable, transparent, competitive and cost effective.
 - (c) complies with:
 - (i) the regulatory framework prescribed in Chapter 2 of the SCMR; and
 - (ii) any minimum norms and standards that may be prescribed by means of regulations or guidelines as envisaged by the provisions of section 168 of the MFMA;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when:
- (a) procuring goods and/or services;
 - (b) Disposing of goods no longer needed;
 - (c) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the MSA applies; or
 - (d) in the case of the Municipality selecting external mechanisms referred to in section 80(1)(b) of the MSA for the provision of municipal services in circumstances contemplated in section 83 of that Act.



(3) To assure the creation of an environment where business can be conducted with integrity and in a fair, reasonable and accountable manner, this policy will ensure that the Municipal Manager and all officials of the Municipality involved in supply chain management activities must act with integrity, accountability, transparency and with the highest of ethical standards and free of favouritism, nepotism and corruption of any kind. The officials of the Municipality involved in supply chain management activities must adhere to the code of ethical standards contained in this policy, together with the Code of Conduct for Municipal Staff Members as contained in Schedule 2 of the MSA.

6. Fixed Asset Management Policy

The objective of this policy is to improve accounting of assets in the municipalities. Good asset management is critical to any business environment whether in the private or public sector. In the past municipalities used a cash-based system to account for assets, whilst the trend has been to move to an accrual system.

With the cash system, assets were written off in the year of disposal or, in cases where infrastructure assets were financed from advances or loans, they were written off when the loans were fully redeemed. No costs were attached to subsequent periods in which these assets would be used.

With an accrual system the assets are incorporated into the books of accounts and systematically written off over their anticipated lives. This necessitates that a record is kept of the cost of the assets, the assets are verified periodically, and the assets can be traced to their suppliers via invoices or other such related delivery documents. This ensures good financial discipline, and allows decision makers greater control over the management of assets. An Asset Management Policy should promote efficient and effective monitoring and control of assets.

7. Banking and Investment Policy

The policy of the municipality is aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes.

8. Virement Policy

Virement is the process of transferring funds from one line item of a budget to another. The policy will monitor the budget transfers of Lephalale Local Municipality. The purpose of this policy is therefore to provide a framework whereby transfers between line items within votes of the operating budget may be performed with the approval of certain officials.



9. Unknown deposit Policy

The objective of this policy is to direct the payments such as direct deposits and bank transfers that are deposited into the municipality's bank account without proper reference number, and the origin of the payment cannot always be traced.

The policy ensures the following:

- Proper recording of unknown deposits
- That unknown deposits are properly monitored.
- That unknown deposits are cleared timeously.
- That unknown deposits register is reconciled to general ledger monthly.

This policy also provides guidance on how to treat unknown deposits that remain untraced or unclaimed for a certain period.



7. OVERVIEW OF BUDGET ASSUMPTIONS

Revenue Framework

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

In addition, NT Circular 93 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

Municipality must maintain tariff increases at level that reflect an appropriate balance between affordability of the poorer household and other consumers while ensuring financial sustainability.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approved such policies for all major tariff-funded services provided by the municipality, which are attached as annexure to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source and per requirements of the MFMA (chapter 4, s17 (1) (a) (b)).

The MTREF model, which enables economics forecasts and the eventual medium term fiscal framework, was compiled under harsh external economic conditions. Budgetary constraints and economic challenges meant that the municipality applies a combination of cost-saving interventions to ensure an affordable credible and sustainable budget over the 2022/2023 MTREF.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the municipality's financial sustainability. The Consumer Price Index (CPI) is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2022/23 MTREF in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. It is noted that the tariff increases by Eskom and Water Boards are above inflation and should be considered as such while determining cost-reflective tariffs.

Eskom Bulk Tariff Increases

In March, NERSA approved a municipal tariff increase of 9,6 per Nersa Guideline on Municipal Electricity Price Increase for 2022/23

The outer two years of the 2023 MTEF use 4,5 per cent, which is an average annual tariff increase used for the NERSA's multi-year price determination period of 1 April 2019



to 31 March 2022. Moreover, the outer year is anticipated to be the first year of the MYPD 5 period, yet to be published.

Financial modeling

In addition to the above, further principles applied to the MTREF in determining the affordability envelope included:

- Higher than headline CPI revenue increases, to the extent that they affect and support Council's activities of relevant services.
- Credible collection rates, based on collection achievement to date, incorporating improved success anticipated on selected revenue items.

CPI projections adopted over MTREF:

CPI projections over the 2022/2023 MTREF are 4.8% for 2023/2024, 4,5% for 2024/2025 and 4.4%.

EXPENDITURE FRAMEWORK

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance.

Initiatives to improve financial sustainability.

Municipality will implement revenue Enhancement strategies and the Municipality has also applied for the support from DDM Model and DBSA on the Following Programs which include :

District Development Model initiatives

- 1.Revenue Improvement Programme
- 2.Spatial Restructuring Programme
- 3.Asset Care Programme
- 4.Infrastructure Delivery Support
- 5.Infrastructure Planning Support
- 6.Capacity support (DBSA)



Salaries, wages, and related staff cost.

The Salary and Wage Collective Agreement for the period 01 July 2021 to 31 June 2024 date 15 September 2021 has been approved by the Bargaining Committee of the central Council. The Municipality has made a provision 4,8 increase based on the previous Bargaining Council Increase.

The overall employee benefits is at 33% as a percentage of total operation expenditure which is in line with the Treasury norm of 30%

Additional increase of 3% on employee benefits is mainly due to the overtime and standby allowance at Service Delivery Department to address aging infrastructure challenges . In addition, the municipality has included the amount R2,5 million for the implementation of the shift system ,which will result in a saving of R6 million compared to the previous year.

Position will be staggered to ensure alignment to the norms.2% vacancy factor

Remuneration of Councilors

Remuneration of Councilors are based on the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. The increase of 4,8 % is budgeted for.

Conditional Grants Transfers

Section 22 of the Division of Revenue Act, 2020 requires that any conditional allocation or a portion thereof that is not spent at the end of the 2020/21 financial year reverts to the National Revenue Fund, unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

Stringent controls are place for the application of rollovers within the stipulated timelines.

Rollovers request for 3 consecutive year will not be accepted.

Process for the unspent committed cost relating to Covid 19 allocation has been stipulated and the Municipality Fastrack spending .



Importance of section 17 of the Division of Revenue Act

The purpose of this section is to provide further clarity on section 17 of DoRA in relation to the transfer of funds to the organ of state in order to implement projects on behalf of the municipalities.

Section 17 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

Repairs and maintenance

The National Treasury Budget Circular 108 for the 2022/2023 MTREF stated, amongst other, that municipalities must “secure the health of their asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance”. The repairs and maintenance will be budgeted in line with the infrastructure master plan and the norm .

Free basic Services

The municipality is currently busy updating the indigents register which will inform the budget for free basic services during the adjustment. The current budget for free basic services is based on previous spending.

REVENUE FRAMEWORK

Service growth

The municipality’s revenue will increase by 4,8%. The municipality is highly dependent on the revenue received from Service charges. This will pose a risk to financial sustainability as Consumers may reprioritize their budget to complementary services. The municipality will continue to explore and implement customer care and debt collection strategies to ensure the generation of internal Revenue.

The Municipality is also facing a huge challenge to sustain the revenue levels due to the staff demobilization of Medupi Project.



Collection Rate

In accordance with relevant legislation and national directives the municipalities projected revenue recovery rates are based on realistic and sustainable trends.

The total collection rate for 2022/2023 is projected at an average of 85% and is based on a combination of actual collection rates achieved to date and the estimated outcomes for the current financial period. The Collection rate will improve as the Municipality implementing a prepaid system for electricity and also have appointed a service provider for debt collection.

Depreciation

Depreciation on the new capital expenditure is calculated at a varying rate ranging between 3 to 30 years depending on the nature of the asset. Actual depreciation was modelled on existing assets. An annual capital expenditure implementation rate of 100% was factored into the model. The higher than usual depreciation is as results of the implementation of GRAP17 where the Municipality's assets were revalued in the 2022/2023 financial year.



8. OVERVIEW OF BUDGET FUNDING

Fiscal Overview

Operating budget

The total budget for MTREF 2022/23 includes Total Operating Revenue is R724 million and Total Operating Revenue of R719 million resulting in the operating Surplus of R5 million.

The operating Revenue budget has changed from R667 million in 2021/2022 to R724 million in 2022/2023 FY, R766 million 2023/2024 FY and R814 million in 2024/2025 FY respectively.

The operating Expenditure budget has changed from R663 million in 2021/2022 to R719 million in 2022/2023 FY, R756 million 2023/2024 FY and R790 million in 2024/2025, resulting to a surplus of R 5 Million for 2021/22 FY and R10 million and R24 million in the outer year

CAPITAL EXPENDITURE

The Capital expenditure is R177 million which includes R29m Own capital Funded and R148m National Grant Funded Projects.

The aging infrastructure assets of the Municipality require that there be a constant investment and maintenance program. The municipality has made an allocation in 2022/2023. The municipality has approved the infrastructure master plan which is going to inform the upgrading and renewal of infrastructure.

Description	2022/23	2023/24	2024/25
MIG	56 612 398	49 140 650	51 299 050
WISG	67 160 000	122 058 000	115 740 000
INEP	20 000 000	22 500 000	10 971 000
ELECTRICITY EFFICIENCY	4 000 000	-	5 000 000
OWN FUNDING	29 695 000	56 030 000	-
TOTAL	177 467 398	249 728 650	183 010 050

Medium term capital budget and funding sources



The funding sources listed below are appropriated towards the following major projects on the capital budget:

National Grant Funded Projects

- Municipal Infrastructure grant to improve bulk infrastructure in support of housing opportunities. R56m .
- Electrification R24m .
- Municipal Water Infrastructure Grants to improve the water infrastructure R67m. (DWS will administer the funds- Schedule 6 B)

Own Capital funded R29M

- A portion of their internally generated 'own revenue' towards their capital budget funding mix
- Purchasing of new equipment and machinery to improve service delivery

CAPITAL PROJECT SUMMARY

MIG PROJECTS

Description	Funder	2022/23	2023/24	2024/25
Ga-Seleka and Witpoort RWS phase 5	MIG	13 166 148		
Thabo Mbeki Sewer Network Sanitation PHASE2	MIG	22 516 008		
Marapong (Phase 2) sports art and culture	MIG	10 000 000		
Extension and Augmentation of water supply in Witpoort RWS 6	MIG	10 930 242		
Extension and Augmentation of water supply in Shongoane RWS Phase 6	MIG		49 140 650	51 299 050
TOTAL		56 612 398	49 140 650	51 299 050



WSIG PROJECTS

Description	Funder	2022/23	2023/24	2024/25
Refurbishment and Upgrading of Sewer Pump Stations, Network Pipes and Replacement of AC pipes in Town and Onverwacht	WSIG	15 000 000		
Replacement of AC pipes and Upgrading of Water Network in Marapong	WSIG	10 000 000		
Ground Water Scheme Development and Equipping of Boreholes in rural Node	WSIG	10 000 000		
Marapong Bulk Water Supply	WSIG	22 000 000		
Mokuruanyane RWS Bulk Pipeline	WSIG	10 160 000		
Refurbishment and upgrade of RWS in varios villages Phase 1	WSIG SCHEDUL	-	50 832 000	52 209 000
Refurbishment and upgrade of RWS in varios villages Phase 2	WSIG SCHEDUL		71 226 000	63 531 000
TOTAL		67 160 000	122 058 000	115 740 000

ELECTRIFICATION

Description	Funder	2022/23	2023/24	2024/25
Electrification of various villages, Marapong and Steenbokpan informal settlement	INEP	20 000 000	22 500 000,00	10 971 000,00
TOTAL		20 000 000	22 500 000,00	10 971 000,00
CAPITAL PROIJECT - Energy Effeciency				
Town and Villages	Energy Efficiency	4 000 000		5 000 000
TOTAL		4 000 000	-	5 000 000
		24 000 000	22 500 000	15 971 000



OWN FUNDING

Description	DEPARTMENT	2022/23	2023/24	2024/25
Review and Develop LED Strategy that ignite local economy	STRATEGIC SERVICES		2 000 000	
Lephalale Investment summit	STRATEGIC SERVICES		2 500 000	
Hawkers stalls Revitising the Economy	STRATEGIC SERVICES	3 500 000	3 500 000	
Branding of Municipal entrances	STRATEGIC SERVICES		5 000 000	
Lephalale vison 2040 3D prototype /Bankable Business case	STRATEGIC SERVICES		5 000 000	
Development of Lephalale Economic growth strategy for Vision 2050	MM OFFICE	5 000 000	2 000 000	
Project management system	BTO	480 000	480 000	
Credit control system	BTO	500 000	500 000	
Indigent management system	BTO	200 000	300 000	
BI system & Revenue enhancement Tool	BTO	500 000		
Anti-fraud and corruption hotline	RISK	600 000		
Conduct security assessment of all strategic assets and implement appropriate security measures to protect the assets	SECURITY	3 000 000		
Mobile walk-through metal detector	SECURITY	100 000		
Development of ICT strategy	IT	1 000 000		
Wireless and wired network- Data Centre	IT		1 500 000	
Traffic Fine system (age analysis and administration) AAARTO ARRTIA System to be implemented	TRAFFIC		200 000,00	
Formulation of General plans for villages.	PLANNING		1 000 000,00	
Revision of Spatial Development Framework	PLANNING	1 200 000		
Revision of Land use Scheme	PLANNING	600 000	600 000,00	
Revitalization of Marapong Township	PLANNING			
Land Acquisition	PLANNING		5 400 000,00	
Palisade Fencing for Onverwacht cemetery	PARKS	2 000 000		
Cover of sidewalk at civic centre for protection against the element	PUBLIC WORKS	200 000		
2 x Tractor slasher mower	PARKS	170 000		
2 X Chainsaws	PARKS	28 000		
2 X Pole pruner chainsaw	PARKS	32 000		
1 X LDV for Thusong centres	THUSONG & LIBRARY	-	500 000	
1 x Sedan	TRAFFIC (New trainess)	400 000		
1 x LDV	TRAFFIC (New trainess)		500 000,00	
Sub Total		19 510 000	30 980 000	-



OWN FUNDING Cont

Description	DEPARTMENT	2022/23	2023/24	2024/25
Branding, blue lights and siren	TRAFFIC (New trainees)		40 000,00	
Pro-laser for speed machine	TRAFFIC	250 000		
5 X Firearms	TRAFFIC (New trainees)		100 000,00	
Revitalisation of Marapong township	PLANNING		1 000 000,00	
Development of a new institutional strategic plan till 2027	PLANNING		1 000 000,00	
Weigh bridge system operationalize the one at waste(the other at traffic testing ground side)	TRAFFIC (New trainees)	400 000		
Acquisition of additional 30 x skip bins	Waste		3 600 000	
Brush Carters x 10	PARKS	150 000		
Installation of pump generators (Water Trucks)-3	Water	200 000		
Installation of (2) water pumps spiral	Water	150 000		
Security guard houses	Water		60 000	
Water conservation and water demand management	Water		1 500 000	
Installation of water Telemetric system	Water	2 250 000	2 250 000	
Review water Conservation strategy	Water	150 000		
Leak detection and Repair Nertwork water leaks (nine and valves)	Water	1 000 000		
Civic centre diesel generator	Electricity	1 500 000		
Redesign and furniture for council chamber	Public works			
Walk behind roller	Public works	200 000		
Plate compactor	Public works	120 000		
10 KVA Mobile diesel generator	electricity	15 000,00		
Cable fault detector	electricity	700 000		
Fencing of storage facilities	water	500 000		
Join a new Pipeline existig line from pumpstion 25 to zongesien	Sanitation	500 000	4 500 000	
Assessment of zongesien, pumpstaion 25	Sanitation	500 000	2 500 000	
Mokuruanyane and Shongoane rws Phase 5	Water	-	8 000 000	
Melvel- drilling and equipping of borehole/ rising main/electrification	Water	300 000	500 000	
Replacement of Furniture & Equipment	Corporate	500 000		
Mobile Office	BTO	500 000		
IT Equipment	IT	300 000		
SUB TOTAL		10 185 000	25 050 000	-
TOTAL		29 695 000	56 030 000	-

Property Rate

The proposed property rates are levied in accordance with existing council policies unless otherwise indicated and both the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

Property Rates Policy was approved by council during May 2020. The reviewed policy has been attached for approval.

Property tax rates are based on values indicated in General Valuation Roll of 2020. The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplementary Valuation Rolls.



Rebates and concessions are granted to certain categories of property usage and/or property owner.

Water and Sanitation

The proposed Water and Sanitation Tariffs for 2022/23 are consistent with National Policy on the provision of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief measures.

Rates, Tariff Policies and Equitable Service Framework.

The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

The progressive nature of existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigents. In total the proposed Tariffs and Rates are cost-reflective and will provide the income to cover the costs of Water and Sanitation during the 2022/2023 financial year.

Electricity

The proposed revisions to the tariffs have been formulated in accordance with the Lephalale Local Municipality Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA)

The Electricity Regulation Act requires that the proposed revisions to the electricity consumption-based tariffs be submitted to the Regulator as soon as possible.

Cash backed accumulated surplus.

Cash backed accumulated revenue surpluses are used to provide working capital and to temporarily fund capital expenditure. Operational cash flow deficits and surpluses are forecasted and managed daily within available cash resources and banking facilities.

All statutory funds reserves, including unspent grants, are fully cash backed. Long term provisions are cash backed to extend that actual expenditure is projected for the budget year.



9. EXPENDITURE ON GRANTS ALLOCATION AND GRANT PROGRAMME

The municipality is allocated the following grants as per Division of Revenue Act:

TOTAL GRANTS	BUDGET 2022/2023	BUDGET 2023/2024	BUDGET 2024/2025
EQUITABLE SHARES	202 071 000	223 270 000	246 827 000
MIG - PMU	2 979 600	2 586 350	2 699 950
FMG	1 650 000	1 700 000	1 700 000
EPWP	1 292 000		
Total operating Grants	207 992 600	227 556 350	251 226 950
MIG	56 612 400	49 140 650	51 299 050
INEP	20 000 000	22 500 000	10 971 000
DEMAND SIDE MANAGEMENT GRANTS	4 000 000		5 000 000
WSIG Schedule 6 B	67 160 000	71 226 000	63 531 000
WSIG Schedule 5 B		50 832 000	52 209 000
Total Capital Grants	147 772 400	193 698 650	183 010 050
Total Grants	355 765 000	421 255 000	434 237 000



10. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Grants-in-Aid refer to transfers of municipal funds to organizations or bodies assisting the Municipality in the exercise of powers of function in terms of Section 67 of MFMA and do not constitute commercial or business contracts and transactions. Specific provision must be made in the Municipality's annual operating budget for Grants-in-Aid in terms of provisions contained in Section 17(3) (j) of the MFMA

The municipality is giving the grants to the following institution:

DESCRIPTION	BUDGET		BUDGET
	2022/2023	BUDGET 2023/2024	2024/2025
Donations	113 788	118 794	124 140
Community Safety Forum	113 788	118 794	124 140
SMME	113 788	118 794	124 140
Mogol Club	113 788	118 794	124 140
Sport Club Marapong	113 788	118 794	124 140
Agri- Contribution	113 788	118 794	124 140
SPCA	113 788	118 794	124 140
Enterprise Development	227 574	237 588	248 279
TOTAL	1 024 088	1 069 148	1 117 259

11. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

The salaries, allowance, and benefits of the councilors for our municipality are informed by the government gazette no 39548 for the determination of upper limits of salaries, allowances and benefits. The annual increase as per circular 108 applies. Refer to SA23 on the budget supporting schedules.

12. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The municipality has the following water projects which is having future budgetary implications:

- Ga seleka and Witpoort RWS phase R2 036 107
- Mokuruanyane and Shongoane RWS phase 4 and 5 R7 791 913

The projects were now funded with own funding in 2022/2023 financial year.



13. CAPITAL EXPENDITURE

The municipality Capital expenditure is as follows:

DRAFT CAPEX BUDGET 2022- 23				
Description	DEPARTMENT	2022/23	2023/24	2024/25
Ga-Seleka and Witpoort RWS phase 5	WATER	13 166 148		
Thabo Mbeki Sewer Network Sanitation PHASE2	SANITATION	22 516 008		
Marapong (Phase 2) sports art and culture	PARKS	10 000 000		
Extension and Augmentation of water supply in Witpoort RWS 6	WATER	10 930 242		
Extension and Augmentation of water supply in Shongoane RWS Phase 6	WATER		49 140 650	51 299 050
TOTAL		56 612 398	49 140 650	51 299 050
CAPITAL PROJETS - WSIG				
Description	DEPARTMENT	2022/23	2023/24	2024/25
Refurbishment and Upgrading of Sewer Pump Stations, Network Pipes and Replacement of AC pipes in Town and Onverwacht	SANITATION	15 000 000		
Replacement of AC pipes and Upgrading of Water Network in Marapong	WATER	10 000 000		
Ground Water Scheme Development and Equipping of Boreholes in rural Node	WATER	10 000 000		
Marapong Bulk Water Supply	WATER	22 000 000		
Mokuruanyane RWS Bulk Pipeline	WATER	10 160 000		
Refurbishment and upgrade of RWS in varios villages Phase 1	WSIG SCHEDULE 5B	-	50 832 000	52 209 000
Refurbishment and upgrade of RWS in varios villages Phase 2	WSIG SCHEDULE 6B		71 226 000	63 531 000
TOTAL		67 160 000	122 058 000	115 740 000
CAPITAL PRIOJECT - INEP				
Description	DEPARTMENT	2022/23	2023/24	2024/25
Electrification of various villages, Marapong and Steenbokpan informal settlement		20 000 000	22 500 000.00	10 971 000.00
TOTAL		20 000 000	22 500 000.00	10 971 000.00
CAPITAL PRIOJECT - Energy Effeciency				
Town and Villages		4 000 000		5 000 000
TOTAL		4 000 000	-	5 000 000
		24 000 000	22 500 000	15 971 000



CAPITAL PROJECT - OWN FUNDING

Description	DEPARTMENT	2022/23	2023/24	2024/25
Review and Develop LED Strategy that ignite local economy	STRATEGIC SERVICES		2 000 000	
Lephalale Investment summit	STRATEGIC SERVICES		2 500 000	
Hawkers stalls Revisiting the Economy	STRATEGIC SERVICES	3 500 000	3 500 000	
Branding of Municipal entrances	STRATEGIC SERVICES		5 000 000	
Lephalale vision 2040 3D prototype /Bankable Business case	STRATEGIC SERVICES		5 000 000	
Development of Lephalale Economic growth strategy for Vision 2050	MM OFFICE	5 000 000	2 000 000	
Project management system	BTO	480 000	480 000	
Credit control system	BTO	500 000	500 000	
Indigent management system	BTO	200 000	300 000	
BI system & Revenue enhancement Tool	BTO	500 000		
Anti-fraud and corruption hotline	RISK	600 000		
Conduct security assessment of all strategic assets and implement appropriate security measures to protect the assets	SECURITY	3 000 000		
Mobile walk-through metal detector	SECURITY	100 000		
Development of ICT strategy	IT	1 000 000		
Wireless and wired network- Data Centre	IT		1 500 000	
Traffic Fine system (age analysis and administration) AAARTO ARRTIA System to be implemented	TRAFFIC		200 000.00	
Formulation of General plans for villages.	PLANNING		1 000 000.00	
Revision of Spatial Development Framework	PLANNING	1 200 000		
Revision of Land use Scheme	PLANNING	600 000	600 000.00	
Revitalization of Marapong Township	PLANNING			
Land Acquisition	PLANNING		5 400 000.00	
Palisade Fencing for Onverwacht cemetery	PARKS	2 000 000		
Cover of sidewalk at civic centre for protection against the element	PUBLIC WORKS	200 000		
2 x Tractor slasher mower	PARKS	170 000		
2 X Chainsaws	PARKS	28 000		
2 X Pole pruner chainsaw	PARKS	32 000		
1 X LDV for Thusong centres	THUSONG & LIBRARY	-	500 000	
1 x Sedan	TRAFFIC (New trainees)	400 000		
1 x LDV	TRAFFIC (New trainees)		500 000.00	
Sub Total		19 510 000	30 980 000	-



Description	DEPARTMENT	2022/23	2023/24	2024/25
Branding, blue lights and siren	TRAFFIC (New trainees)		40 000.00	
Pro-laser for speed machine	TRAFFIC	250 000		
5 X Firearms	TRAFFIC (New trainees)		100 000.00	
Revitalisation of Marapong township	PLANNING		1 000 000.00	
Development of a new institutional strategic plan till 2027	PLANNING		1 000 000.00	
Weigh bridge system operationalize the one at waste(the other at traffic testing ground side)	TRAFFIC (New trainees)	400 000		
Acquisition of additional 30 x skip bins	Waste		3 600 000	
Brush Carters x 10	PARKS	150 000		
Installation of pump generators (Water Trucks)-3	Water	200 000		
Installation of (2) water pumps spiral	Water	150 000		
Security guard houses	Water		60 000	
Water conservation and water demand management	Water		1 500 000	
Installation of water Telemetric system	Water	2 250 000	2 250 000	
Review water Conservation strategy	Water	150 000		
Leak detection and Repair Nertwork water leaks (nine and valves)	Water	1 000 000		
Civic centre diesel generator	Electricity	1 500 000		
Redesign and furniture for council chamber	Public works			
Walk behind roller	Public works	200 000		
Plate compactor	Public works	120 000		
10 KVA Mobile diesel generator	electricity	15 000		
Cable fault detector	electricity	700 000		
Fencing of storage facilities	water	500 000		
Join a new Pipeline existig line from pumpstion 25 to zongesien	Sanitation	500 000	4 500 000	
Assessment of zongesien, pumpstaion 25	Sanitation	500 000	2 500 000	
Mokuruanyane and Shongoane rws Phase 5	Water	-	8 000 000	
Melvel- drilling and equipping of borehole/ rising main/electrification	Water	300 000	500 000	
Replacement of Furniture & Equipment	Corporate	500 000		
Mobile Office	BTO	500 000		
IT Equipment	IT	300 000		
SUB TOTAL		10 185 000	25 050 000	-
TOTAL		29 695 000	56 030 000	-



Description	DEPARTMENT	2022/23	2023/24	2024/25
MIG	WATER	56 612 398	49 140 650	51 299 050
WISG	SANITATION	67 160 000	122 058 000	115 740 000
INEP	PARKS	20 000 000	22 500 000	10 971 000
ELECTRICITY EFFICIENCY	WATER	4 000 000	-	5 000 000
OWN FUNDING	WATER	29 695 000	56 030 000	-
TOTAL		177 467 398	249 728 650	183 010 050
Description	DEPARTMENT	2022/23	2023/24	2024/25
Establishment of feedlot for farmers in rooigoed farm	PPP	20 000 000		
Agri-village	PPP	15 000 000		
Establishment of fresh produce Market	PPP	20 000 000		
Development of student accommodation	PPP	250 000 000		
Satelite University RFQ	PPP	-		
Township and rural Economy	PPP	210 000 000		
Law enforcement stationary speed cameras	PPP	500 000		
Zeeland water purification works Commitment	PPP	53 900 000		
Development of the Lephalale Design Framework proto – type(including review of SDF indicating development pattern of OR Tambo	PPP	5 000 000		
TOTAL		624 400 000	-	-
Description	Funder	2022/23	2023/24	2024/25
DBSA extension of Civic Centre Commitment	DBSA	700 000		
TOTAL		700 000		
Description	Funder	2022/23	2023/24	2024/25
Establishment of a learners testing centre at Mokuwanyane Thuso	DTCS	5 000 000		
TOTAL		5 000 000		
Total		630 100 000	-	-
Total Projects Interna and External		803 567 398	249 728 650	178 010 050



14. LEGISLATION COMPLIANCES STATUS

Compliances with the MFMA implementation requirements have been substantially adhered to through the following activities:

Budget and Treasury Office

A budget office and Treasury office has been established with the MFMA.

Budgeting

The annual budget is prepared in accordance with the requirements prescribed by the National Treasury and MFMA.

Financial reporting

100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral committee, Council, Provincial and National Treasury.

Annual Report

The annual report is prepared in accordance with the MFMA and National Treasury requirements.

Internship Programme

The Lephalale Local Municipality is participating in the Municipal Finance Management Internship Programme and has employed 5 interns undergoing training in various finance sections.