

# **LEPELLE-NKUMPI** **LOCAL MUNICIPALITY**

[www.lepelle-nkumpi.gov.za](http://www.lepelle-nkumpi.gov.za)

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## **THE EXECUTIVE SUMMARY**

### **1. BUDGET PREPARATIONS**

The budget has been prepared in terms of guidelines as contained in Circular 108 of the MFMA. The contents and format of the budget are in line with the requirements of the Municipal Budget and Reporting Regulations and any applicable legislation.

### **2. METHOD OF PREPARATION**

The application of sound financial management principles for the compilation of the Lepelle-Nkumpi financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial management.

The Budget was prepared according to the performance based method. In terms of the method the previous year budget 2019/20 and the mid-Year performance of the current year 2020/21 of the all votes and line items were analysed, reviewed and every amount allocated had to be motivated.

Executive Managers were required to hand their requests to the Chief Financial Officer for inclusion on the budget. All departments gave input and they are deliberated during IDP/Budget Meetings.

### 3. Legislative requirements : Compilation of the 2021/22 MTREF Budget

In terms of Section 16 of the Municipal Finance Management Act of 56 of 2003 the Council must for each financial year approve an annual budget for the municipality before the start of the financial year.

In order to comply with the above subsection the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

In section 17 it is further said that the budget must be a schedule in this prescribed format:

- a) Setting out realistically anticipated revenue for the budget year from each revenue source;
- b) Appropriating expenditure for the budget year under the different Votes of the municipality;
- c) Setting out indicative revenue per revenue source and projected Expenditure by vote for the two financial years following the budget year;
- d) Setting out estimated revenue and expenditure by vote for the current year; and
- e) Actual revenue and expenditure by vote for the financial year Preceding the current year.

The 2021/2022 Budget has been laid out in the prescribed format outlined by the enabling act.

The MFMA section 24 further states that:

- a) the municipal council must at least 30 days before the start of the budget year approve its annual budget;
- b) the budget must be approved together with the adoption of resolution as may be necessary –

- i. imposing any municipal tax for the budget year;
- ii. setting any municipal tariffs for the budget year;
- iii. approving measurable performance objectives for revenue from each vote in the budget;
- iv. approving any changes to the municipality's integrated development plan; and
- v. approving any charges to the municipality's budget – related policies.

It is therefore in accordance to the legislative requirements that the 2021/22 MTRRF Budget is submitted to the Executive Committee for tabling. The Budget summary and budget documents are thus outlined in this document.

Due to Covid-19 pandemic the Council was unable to comply with MFMA Section 16.2 and its approved process plan when preparing the 2020/21 IDP/Budget. The process plan was revised to comply with the Covid 19 regulations.

#### **4. OPERATING BUDGET.**

In terms of GRAP format Capital Grants receivable are included in the Operating Budget. Capital Expenditure is not included in the Operating Budget.

Operating expenditure is the day to day management items of the Municipality, i.e.:  
Salaries and Wages, Repairs and Maintenance, Debt Servicing, Depreciation on Assets, Insurance, Electricity, Telephone, Subsistence and Travelling Allowances, Fuel etc.

The total revenue budget amounts to R563, 067,503.14 Table 1 hereunder summarizes the budget per department/vote. Executive Managers must manage their own budgets.

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated per Table 1 which is Consolidated Overview of the 2021/22 Medium Term Revenue Expenditure Forecast

Table 1: Consolidated overview of the 2021/2022 MTREF Final Budget

	Adjusted Budget 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Budget Year +2 2023/24
Total Revenue (Including capital transfers and contributions)	510,524,250.00	563,067,503.14	495,919,770.55	470,120,620.49
Total Expenditure	346,004,460.00	417,404,753.14	359,662,670.55	376,497,620.49
Surplus/(Deficit)	164,519,790.00	145,662,750.00	136,257,100.00	93,623,000.00
Total Capital Expenditure	164,519,790.00	145,662,750.00	136,257,100.00	93,623,000.00

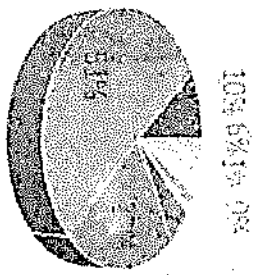
- The operating budget deals with day to day operations of the municipality to ensure that service delivery is sustained. The final operating budget has increased to R417.4 million compared to the current adjusted budget of R436.0 million.
- The trend is that the operating expenditure has been increasing over the years driven by:
- ↓ salary increments
  - ↓ the need to repair infrastructure
  - ↓ the need to adequately budget for debt impairment and depreciation,
  - ± Inflation
  - ± Electricity reticulation projects which will be handed over to ESKOM on completion.
  - ± D-Roads projects which will be handed over to RAL on completion.

**Total Revenue by source 2021-22**

Source of Revenue	Amount	Percentage %
Property rates	32,799,503.65	5.83
Service charges - refuse revenue	6,710,787.18	1.19
Rental of facilities and equipment	303,708.24	0.05
Interest earned - external investments	7,785,444.26	1.38
Interest earned - outstanding debtors	12,502,241.98	2.22
Fines, penalties and	5,500,000.00	0.98

forfeits		
Licences and permits	3,558.45	0.00
Agency services	29,755,246.07	5.23
Transfers and subsides -Operating Grants	123,027,115.31	21.85
Other revenue	287,594,898.00	51.08
Transfers and subsides -Capital Grants	57,085,000.00	10.14
<b>TOTAL BUDGET</b>	<b>563,067,503.14</b>	<b>100</b>

## Revenue by Source



- Flow rates
- Revenue earned - outstanding debtors
- Interest earned - outstanding debtors
- Dividend and permits
- Other revenue
- Transfers and subsidies - Capital
- Service charges - refuse revenue
- Revenue earned - external investments
- Fees
- Agency services
- Transfers and subsidies - Operating

The Budget for the 2021/ 2022 MTRRF is outlined below:

	2 <sup>nd</sup> Adjustment Budget 2020-2021	Budget Year + 1 2021-2022	Budget Year +2 2022-2023	Budget Year +3 2023-2024
<b>Revenue by Source</b>				
Property rates	31,568,338.45	32,799,503.65	34,177,082.80	35,680,874.44
Service charges - refuse revenue	6,458,890.45	6,710,787.18	6,992,640.24	7,300,316.42
Rental of facilities and equipment	292,308.22	303,708.24	316,463.98	330,388.40
Interest earned - external investments	7,493,209.14	7,785,444.26	8,112,432.92	8,489,379.97
Interest earned - outstanding debtors	12,032,956.67	12,502,241.98	13,027,336.15	13,600,538.94
Fines	4,091,600.00	5,500,000.00	5,731,000.00	5,983,164.00
Licences and permits	1,499.96	3,558.45	3,707.91	3,871.06
Agency services	17,437,256.23	29,755,246.07	31,004,966.41	32,369,184.93
Other revenue	38,141,753.74	123,027,115.31	36,422,140.14	10,838,902.33
Transfers and subsidies-Operating	319,753,898.00	287,594,898.00	298,504,000.00	291,204,000.00



Transfers and subsidies-Capital	73,252,541.00	57,085,000.00	61,628,000.00	64,340,000.00
<b>TOTAL REVENUE</b>	<b>510,524,251.83</b>	<b>563,067,503.14</b>	<b>495,919,770.55</b>	<b>470,120,620.49</b>

#### Property Rates

- ✓ Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is an essential part of the municipality's budgeting process.
- ✓ National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009

#### Waste Removal and Impact of Tariff Increases

- ✓ Lepelle-Nkumpi Local Municipality waste management services comprise of only one landfill sites within its jurisdiction. Solid waste management is a major cause for concern as (Lenting) landfill sites is not fully used to its fully capacity. We are still experiencing high number of illegal dumping. The other landfill site does not have the necessary licences in place, nor does it have the plant and equipment to operate the landfill site. Rates for refuse removal at residential and business stands needs to be confirmed as in line with acceptable tariffs. The Municipality is using the external service provider for the provision of services at landfill sites, the services are being monitored or charged.
- ✓ Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term i.e Extension of waste collection service to rural villages, currently busy with the feasibility study. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Payment of contractor 3.9 per cent increase in the waste tariff is proposed from 1 July 2021 and this is based on the Consumer Price Index.

Tariffs for the 2021/2022 financial year

TARIFF STRUCTURE - 2021/2022				
	2020/2021	2021/2022	2022/2023	2023/2024
Increments	4.5%	3.9%	4.2%	4.4%
<b>COMMUNITY SERVICES</b>				
<b>REFUSE</b>				
Residential	42.34	43.93	45.84	47.86
Business	804.84	836.23	871.35	909.69
Churches	169.45	176.06	183.45	191.52
Hostels/Boarding houses	847.20	880.24	917.21	957.57
Schools	169.45	176.06	183.45	191.52
Government Institutions	4,558.26	4,736.03	4,934.94	5,152.08
Industrial	4,558.26	4,736.03	4,934.94	5,152.08
Shopping Complex	9,036.88	9,389.32	9,783.67	10,214.15
Flats	1,412.00	1,467.07	1,528.69	1,595.95
Hospitals	4,631.40	4,812.02	5,014.13	5,234.75
Indigents(Self targeting-Urban)	32.18	33.43	34.83	36.37
Indigents(Self targeting- Rural)	25.65	26.66	27.77	29.00
<b>Environmental Affairs</b>				
Cutting of unwanted trees	2020/2021 800.00	2021/2022 800.31	2022/2023 833.93	2023/2024 870.62

Debushing(Per Site)	2,700.00	2,701.05	2,814.50	2,938.34
Penalty for Illegal Dumping	5,500.00	5,502.15	5,733.24	5,985.50
Penalty for Illegal Dumping(Health Care Risk Waste and Hazardous waste)	5,500.00	5,502.15	5,733.24	5,985.50
Dust bins(Mass Containers)				
	2020/2021	2021/2022	2022/2023	2023/2024
Commercial Refuse(6m3 per bin)	550.00	571.45	595.45	621.65
Rubble removal (6m3 per bin)	700.00	727.30	757.85	791.19
Distance to be charged as per tariffs approved by Dept. of Transport				
Disposal of food waste	1,700.00	1,766.30	1,840.48	1,921.47
Rental of Skip Bins (per Day)	280.00	290.92	303.14	316.48
<b>MUNICIPAL POUND FEES</b>				
	2020/2021	2021/2022	2022/2023	2023/2024
Impoundment of goods per day	60.00	62.34	64.96	67.82
Admin fee : Goods	320.00	332.48	346.44	361.69
Salvaging of containers	3,200.00	3,324.80	3,464.44	3,616.88
<b>Impounded Animal on the Public Road</b>				
	2020/2021	2021/2022	2022/2023	2023/2024
Large Stock eg cattle, donkey	20.00	20.00	20.00	20.00
Small Stock eg goat,sheep	10.00	10.00	10.00	10.00
Transport of impounded animals				
Admin fee : Animals	10.00	10.00	10.00	10.00
<b>Noise Abatement and Prevention of Nuisance By-Law</b>				
	2020/2021	2021/2022	2022/2023	2023/2024

Application fee in terms of the by-law	N/A	N/A	N/A	N/A	N/A
Application for closure of street(per day)	N/A	N/A	N/A	N/A	N/A
Security for Street Closure(Refundable)	N/A	N/A	N/A	N/A	N/A
Penalty in terms of contravention of by-law	N/A	N/A	N/A	N/A	N/A
<b>Land Fill Sites</b>					
	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	
General waste in excess of 1ton	Free				
General waste above 800kg (per ton)	104.83	108.92	113.50	118.49	
businesses Waste	104.83	108.92	113.50	118.49	
Clean Compost material in excess of 1000kg	Free	Free	Free	Free	
Clean Compost material above1000kg	Free	Free	Free	Free	
Mixed waste(General and Garden)	Free	Free	Free	Free	
Clean Rubble and soil	Free	Free	Free	Free	
Sorted Recyclables	Free	Free	Free	Free	
<b>CEMETRIES</b>					
<b>LEBOWAKGOMO CEMETRY</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	
Single grave(Resident)	660.00	685.74	714.54	745.98	
Double grave-Interment(8ft)	880.00	914.32	952.72	994.64	
Single grave non residential	1,200.00	1,246.80	1,299.17	1,356.33	
Paupers Grave	1,300.00	1,350.70	1,407.43	1,469.36	
Childrens grave (As per the Children's act)	330.00	342.87	357.27	372.99	
Reservation of grave	10,000.00	10,390.00	10,826.38	11,302.74	
Exhumation	550.00	571.45	595.45	621.65	
Opening for the purpose of new burial in case of interment	772.46	802.59	836.30	873.10	
Unknown Burials					

FACILITIES						
Civic Hall Lebowakgomo						
Rental ( N.B Per Day not per function)						
		2020/2021	2021/2022	2022/2023	2023/2024	
The use of Civic Centre Hall for parties and weddings		4,000.00	4,000.00	4,000.00	4,000.00	
The use of Civic Centre Hall for any function except parties and weddings		1,900.00	1,900.00	1,900.00	4,000.00	
The use of Civic Centre Hall for profit making function(festival, concert, Drama, etc)		4,500.00	4,500.00	4,500.00	4,000.00	
Security Fee(Overnight) -		3,500.00	3,500.00	3,500.00	4,000.00	
Security fee(During the Day)		1,500.00	1,500.00	1,500.00	4,000.00	
Cultural Centre						
Rental ( N.B Per Day not per function)						
		2020/2021	2021/2022	2022/2023	2023/2024	
The use of Cultural Centre for cultural activities		750.00	750.00	750.00	750.00	
The use of Cultural Centre for social gatherings		600.00	600.00	600.00	600.00	
Security Fee( For overnight )		750.00	750.00	750.00	750.00	
Security Fee(During the day)		600.00	600.00	600.00	600.00	
Community Halls(Rural)						

	2020/2021	2021/2022	2022/2023	2023/2024
Mamaolo, Mahlatsane, Lesetse, Dithabaneeng, Mogodi community halls (Daily)	600.00	600.00	600.00	600.00
	600.00	600.00	600.00	600.00
Use of community halls (During the night)	600.00	600.00	600.00	600.00
	600.00	600.00	600.00	600.00
Hiakano, Majiane and Mehlaareng, Mogoto, Rafiri, Seloane, Mathabatha	600.00	600.00	600.00	600.00
	600.00	600.00	600.00	600.00
The use of the community halls by Business Per Day.	600.00	600.00	600.00	600.00
Deposit Security Fee	600.00	600.00	600.00	600.00
Use of Halls for weddings and festivals	600.00	600.00	600.00	600.00
Club House (Lebowakgomo) Rental				
	2020/2021	2021/2022	2022/2023	2023/2024
Club house for overnight functions	2,000.00	2,000.00	2,000.00	2,000.00
	2,200.00	2,200.00	2,200.00	2,200.00
Club house for any other event(Daily)	900.00	900.00	900.00	900.00
	800.00	800.00	800.00	800.00
The use by Businesses Per Day.				
The use for Aerobics(per month)	560.00	560.00	560.00	560.00
Deposit Security Fee				
The use for Profit making	2,800.00	2,800.00	2,800.00	2,800.00
N.B. Above Tariffs Exclude Festivals and any other paying events				

B. Sports Facilities					
Lebowakgomo Stadium	2020/2021	2021/2022	2022/2023	2023/2024	
Rental					
Professional Sports (i.e. PSL & Other Leagues) and Music Festivals.					
Music Festivals	7,000.00	7,000.00	7,000.00	7,000.00	
Security Fee	3,500.00	3,500.00	3,500.00	3,500.00	
Prayer Service(Night)	3,000.00	3,000.00	3,000.00	3,000.00	
Security Fee	3,000.00	3,000.00	3,000.00	3,000.00	
Prayer Service(Daily)	1,500.00	1,500.00	1,500.00	1,500.00	
Security Fee	1,500.00	1,500.00	1,500.00	1,500.00	
Use for Non-professional soccer tournaments and Athletics	1,000.00	1,000.00	1,000.00	1,000.00	
Security Fee	700.00	700.00	700.00	700.00	
Use for any other Game/Event	N/A	N/A	N/A	N/A	
Deposit Security Fee	1,400.00	1,400.00	1,400.00	1,400.00	
Use of stadium for training per month	Free	Free	Free	Free	
Use of gardens for photos	N/A	N/A	N/A	N/A	
Soccer Practise (Per Two(2) hours	200.00	200.00	200.00	200.00	
Athletics practise	N/A	N/A	N/A	N/A	
Use of tennis Court and other Sports Facilities(per month)	N/A	N/A	N/A	N/A	
Use of tennis and Volley ball court-per tournament	N/A	N/A	N/A	N/A	
Use of tennis and Volley ball court-per month(practice)	N/A	N/A	N/A	N/A	

All Affiliated Sports Bodies	N/A	N/A	N/A	N/A	N/A
Professional Soccer Club(per annum)-For games	N/A	N/A	N/A	N/A	N/A
<b>NB: OVERNIGHT REFERENCE TO 18H00 TO 06H00</b>					
<b>MAFEFE TOURISM CAMP</b>					
Main Building(During the week)	2020/2021	2021/2022	2022/2023		
	N/A	N/A	N/A		N/A
Main Building(Week-end)	N/A	N/A	N/A		N/A
Conference Centre(per day)	N/A	N/A	N/A		N/A
Roundavels (During the week)	N/A	N/A	N/A		N/A
Roundavels (Week-end)	N/A	N/A	N/A		N/A

INFRASTRUCTURE		2020/2021	2021/2022	2022/2023	2022/2023
DEPT					
water consumption	Vat Exclusive	Per Kiloliter	Per Kiloliter	Per Kiloliter	
Increments		6.0%	6.0%	6.0%	
Residential		10.60	11.20	11.90	12.60
Business		12.80	13.60	14.40	15.30
Churches		12.80	13.60	14.40	15.30
Schools		12.80	13.60	14.40	15.30
Government Institutions		12.80	13.60		15.30



					14.40			
Industrial		12.80	13.60	14.40	15.30			
Shopping Complex		12.80	13.60	14.40	15.30			
Office Complex		12.80	13.60	14.40	15.30			
Hostels/Boarding houses		12.80	13.60	14.40	15.30			
Hospitals		12.80	13.60	14.40	15.30			
Indigents		0-6kl Free	0-6kl Free	0-6kl Free	0-6kl Free			

**WATER CONSUMPTION**

		2020/2021	2021/2022	2022/2023	2022/2023
Residential	0-15kl	10.60	11.20	11.90	12.60
	16-30kl	15.60	16.50	17.50	18.90
	31-50kl	26.20	27.80	29.50	31.30
	51 and more	35.00	37.10	39.30	41.70
Businesses, Govt, Schools, Churches, etc					
	0-15kl	12.80	13.60		15.30



Indigents		0.00	0.00	172.60	
Residential( no meter)		118.30	125.40	132.90	140.90
Businesses (no meter)		355.00	376.30	398.90	422.80
<b>NEW CONNECTIONS</b>					
<b>WATER CONNECTION</b>					
		2020/2021	2021/2022	2022/2023	2022/2023
Residential		1,893.10	2,006.70	2,127.10	2,254.70
Business		2,247.90	2,382.80	2,525.80	2,677.30
Churches		1,893.10	2,006.70	2,127.10	2,254.70
Schools		2,247.90	2,382.80	2,525.80	2,677.30
Government Institutions		2,247.90	2,382.80	2,525.80	2,677.30
Industrial		2,247.90	2,382.80	2,525.80	2,677.30
Shopping Complex		2,247.90	2,382.80	2,525.80	2,677.30
Hostels/Boarding houses		2,247.90	2,382.80	2,525.80	2,677.30
Office Complex		2,247.90	2,382.80	2,525.80	2,677.30
Hospitals		2,247.90	2,382.80	2,525.80	2,677.30

<b>SEWERAGE CONNECTION</b>					
Residential		2020/2021	2021/2022	2022/2023	2022/2023
		1,893.10	2,006.70	2,127.10	2,254.70
Business		2,247.90	2,382.80	2,525.80	2,677.30
Churches		1,893.10	2,006.70	2,127.10	2,254.70
Schools		2,247.90	2,382.80	2,525.80	2,677.30
Government Institutions		2,247.90	2,382.80	2,525.80	2,677.30
Industrial		2,247.90	2,382.80	2,525.80	2,677.30
Shopping Complex		2,247.90	2,382.80	2,525.80	2,677.30
Hostels/Boarding houses		2,247.90	2,382.80	2,525.80	2,677.30
Office Complex		2,247.90	2,382.80	2,525.80	2,677.30
Hospitals		2,247.90	2,382.80	2,525.80	2,677.30

A connection where there is no infrastructure		Estimated cost plus 12% admin costs & application fee	Estimated cost plus 12% admin costs & application fee	Estimated cost plus 12% admin costs & application fee	
Monthly charge for selling of effluent		Estimated cost plus 10% admin costs	Estimated cost plus 10% admin costs	Estimated cost plus 10% admin costs	
SEWERAGE		2020/2021	2021/2022	2022/2023	2022/2023
Residential		78.30	83.00	88.00	93.30
Business		156.80	166.20	176.20	186.80
Churches		78.30	83.00	88.00	93.30
Schools		156.80	166.20	176.20	186.80
Government Institutions		156.80	166.20	176.20	186.80
Industrial		156.80	166.20	176.20	186.80
Shopping Complex		1,183.20	1,254.20	1,329.50	1,409.30

Hostels/Boarding houses		156.80	166.20	176.20	186.80
Office Complex		156.80	166.20	176.20	186.80
Hospitals		156.80	166.20	176.20	186.80
Indigents		Free	Free	Free	Free
<b>SEPTIC TANKS AND VIP TOILETS</b>					
	Cost Per Load(Domestic)	411.40	436.10	462.30	490.00
	Cost Per VIP toilet	164.50	174.40	184.90	196.00
	Cost Per kilometre travelled	4.20	4.50	4.80	5.10
Public Institutions(schools, clinics, churches, creches, etc)	Cost per Septic Load	658.20	697.70	739.60	784.00
	Cost per kilometre travelled	9.40	10.00	10.60	11.20
Business	Cost per Septic Load	924.40	975.20	1,085.40	1,145.10
	Cost per kilometre travelled	10.60	11.20	12.40	13.10
Un metered stands					
		2020/2021	2021/2022	2022/2023	2022/2023

		Free	Free		
Indigents					
Residential		46.63	49.43	52.40	55.54
Business		872.10	924.40	979.90	1,038.70
Churches		246.90	261.70	277.40	294.00
Schools		872.10	924.40	979.90	1,038.70
Mines		8,720.00	9,243.20	9,797.80	10,385.70
Commercial Farmers		8,720.00	9,243.20	9,797.80	10,385.70
Government Institutions		8,720.00	9,243.20	9,797.80	10,385.70
Industrial		872.10	924.40	979.90	1,038.70
Shopping Complex		8,720.00	9,243.20	9,797.80	10,385.70
Hostels/Boarding Houses		4,360.00	4,621.60	4,898.90	5,192.80
Office Complex		8,720.00	9,243.20	9,797.80	10,385.70
<b>DRAIN BLOCKAGE</b>					
Residential	2020/2021	130.10	137.90	146.20	155.00
Business		532.40	564.30		634.10

					598.20		
Churches				130.10	137.90	146.20	155.00
Schools				828.20	877.90	930.60	986.40
Government Institutions				532.40	564.30	598.20	634.10
Industrial				532.40	564.30	598.20	634.10
Shopping Complex				828.20	877.90	930.60	986.40
Hostels/Boarding houses				828.20	877.90	930.60	986.40
Office Complex				828.20	877.90	930.60	986.40
Hospitals				828.20	877.90	930.60	986.40
<b>WATER</b>							
				<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2022/2023</b>
Re-connection fee	During Working Hours: Normal Reconnection			164.00	174.00	184.00	195.00
	During Working Hours: Urgent Reconnection request			330.00	350.00	371.00	393.00
	After Working Hours: Reconnection request			330.00	350.00	371.00	393.00
				0.00			
Disconnection fee				355.00	376.30	398.90	422.80
Stop Cock	15mm			94.70	100.40		112.80



						106.40	
Stop Cock	20mm					106.50	
Special reading of meter on request by customer						112.90	
						106.50	
For re-reading of a meter on request by customer as a result of a dispute & a reading is confirmed						112.90	
						165.60	
						175.50	
						186.00	
						197.20	

**HIRING OF MACHINERY**

		2020/2021	2021/2022	2022/2023	2022/2023
Hiring of Grader	Per hour (excluding machine transportation costs) Calculated from place of departure and return. Transportation within 25km, 50km, 75km 100km radius is R250.00, R500.00, R750.00 and R1000.00 respectively (rated within the municipality only)	700.00	700.00	700.00	700.00

Front-end Loader	Per hour(excluding machine transportation costs)Local is R250.00; Less than 25km is R350.00, more than 50 km is R400.00 and R450.00 for more than 50km. Transportation within 25km, 50km, 75km 100km radius is R250.00, R500.00, R750.00 and R1000.00 respectively (rated within the municipality only)	700.00	700.00	700.00	700.00
TLB	Per hour(excluding machine transportation costs)Local is R250.00; Less than 25km is R350.00, more than 50 km is R400.00 and R450.00 for more than 50km. Transportation within 25km, 50km, 75km 100km radius is R250.00, R500.00, R750.00 and R1000.00 respectively (rated within the municipality only)	500.00	500.00	500.00	500.00
Tipper Truck (6m3)	Load Rubbish = Per Load				
Tipper Truck (6m3)	Calculated per hour				
Tipper Truck (10m3)	Calculated per hour				
	Load Rubbishes = Calculated Per Load				
Low Bed	R22/km, for local is R2500 if less than 50km return				
	25 km loading and offloading				
	Less than 50km-loading and offloading				

Grass Cutter Tractor	R250.00/hr is calculated From the Place of Departure and Return				
Stampper	R250.00/hr with Full tank gasoline and must be returned with full tank.				
Bull dozer	R500.00/hr				
Soil/Sand	R200.00 per m <sup>3</sup>				
Roller	Per day: Transportation within 25km, 50km, 75km 100km radius is R250.00, R500.00, R750.00 and R1000.00 respectively (rated within the municipality only)	1,900.00	1,900.00	1,900.00	1,900.00
Excavators	Per hour: Transportation within 25km, 50km, 75km 100km radius is R250.00, R500.00, R750.00 and R1000.00 respectively (rated within the municipality only)	700.00	700.00	700.00	700.00
Heavy Duty Air Compressor(New)	Per hour				
Cherry Picker(New)	Per hour				
		2020/2021	2021/2022	2022/2023	2022/2023
<b>GENERAL</b>					
<b>Penalty for Damages:</b>					
Robot		2,500.00	2,500.00	2,500.00	2,500.00
Street lights		2,500.00	2,500.00	2,500.00	2,500.00

Robot light		1,100.00	1,100.00	1,100.00	1,100.00
Road sign		650.00	650.00	650.00	650.00
Water Meter Replacement		769.10	815.20	864.10	864.10
Bridging of water meter		14,197.90	15,049.80	15,952.80	15,952.80
Illegal Water Connection		14,197.90	15,049.80	15,952.80	15,952.80
Special Meter Reading	At the customers' request	709.90	752.50	797.70	797.70
Meter Repair (Defects)		709.90	752.50	797.70	797.70
Road Reconstruction (New)	Per Square meter	90.00	90.00	90.00	90.00
Asphalt Road Reconstruction (New)	Per Square meter	210.00	210.00	210.00	210.00
Penalties are paid together with the cost for repair of the damaged product					

TARIFF STRUCTURE - 2024/2022						
PLANNING AND LAND USE						
HAWKING						
Increments			2020/2021	2021/2022	2022/2023	2023/2024
Hawkers licence-new	Urban		450.00	150.00	156.30	163.18
Hawkers licence-new	Township		n/a	100.00	104.20	108.78
Hawkers licence-new	Rural		n/a	50.00	52.10	54.39
Lost copy of hawkers licence	Urban		200.00	200.00	208.40	217.57
Lost copy of hawkers licence	Township		n/a	200.00	208.40	217.57
Lost copy of hawkers licence	Rural		n/a	200.00	208.40	217.57
Trading of animal along the road			1,500.00	1,558.50	1,623.96	1,695.41
Mobile Hawker (License)			120.00	124.68	129.92	135.63
Monthly payment of hawkers' stalls	Urban		80.00	50.00	52.10	54.39
Monthly payment of hawkers' stalls	Township		n/a	40.00	41.68	43.51
Monthly payment of hawkers' stalls	Rural		n/a	30.00	31.26	32.64
Temporary hawking in service points(Seasonal)			1,000.00	1,039.00	1,082.64	1,130.27

Hawkers (Stadium) per day					
Inside stadium	250.00	259.75	270.66	282.57	
Outside stadium	140.00	145.46	151.57	158.24	
Car display municipal wide (per day)	5,900.00	6,130.10	6,387.55	6,668.62	
Car display Permit(per day)	2,300.00	2,389.70	2,490.07	2,599.63	
<b>LAND USE AND TRANSFER OF PROPERTY</b>					
	2020/2021	2021/2022	2022/2023	2023/2024	
Application for consent	1,300.00	1,350.70	1,407.43	1,469.36	
Application for consolidation	870.00	903.93	941.90	983.34	
Application for PTO-residential	400.00	415.60	433.06	452.11	
Application for PTO-business	620.00	644.18	671.24	700.77	
Zoning certificate	220.00	228.58	238.18	248.66	
Relocation of beacons	830.00	862.37	898.59	938.13	
Application for Clearance Figures	105.00	109.10	113.68	118.68	
Clearance certificate	220.00	228.58	238.18	248.66	
Transfer of ownership	580.00	602.62	627.93	655.56	

Application for Subdivision	940.00	976.66	1,017.68	1,062.46
Application for Subdivision for Agricultural land(New)	1,100.00	1,142.90	1,190.90	1,243.30
Approval of site development plan	440.00	457.16	476.36	497.32
Application for Rezoning	2,200.00	2,285.80	2,381.80	2,486.60
<b>BUILDING INSPECTORATE</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>
Plan approval fee per sqm-residential	12.32	12.80	13.34	13.92
Plan approval fee per sqm-business	24.63	25.60	26.67	27.84
Occupation certificate	440.00	457.16	476.36	497.32
Internal Layout( NEW)	2,500.00	2,597.50	2,706.60	2,825.69
Fine for not submitting building plan(per day)	60.00	62.34	64.96	67.82
Inspection fee - Building Control	450.00	467.55	487.19	508.62
Application for relaxation of buildings (per sqm)	9.38	9.75	10.16	10.60
<b>GENERAL</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>
Extension for Approvals - Building plans & PTO	550.00	571.45	597.74	624.04

Government Gazette Notices					
Printing of general plan	12.00	12.47	13.04	13.62	
Printing of Deeds Search	15.00	15.59	16.30	17.02	
Additional New Tariffs	2020/2021	2021/2022	2022/2023	2023/2024	
<b>LAND USE AND TRANSFER OF PROPERTY</b>					
<b>TYPE OF APPLICATION</b>					
Establishment of a township	6,000.00	6,234.00	6,520.76	6,807.68	
Extension of the boundaries of a township:	3,000.00	3,117.00	3,260.38	3,403.84	
<b>Amendment of a township establishment application:</b>					
If already approved by the Municipality	3,000.00	3,117.00	3,260.38	3,403.84	
If not already approved by the Municipality	2,500.00	2,597.50	2,716.99	2,836.53	
Division of township	2,500.00	2,597.50	2,716.99	2,836.53	
Phasing/cancellation of approved layout plan	2,500.00	2,597.50	2,716.99	2,836.53	



		-	-	-	-
<b>Rezoning:</b>					
One erf		-	-	-	-
Every erf Additional to the First Erf Per Erf	3,000.00 3,751.97	3,117.00 3,898.29	3,260.38 4,077.62	3,403.84 4,257.03	
Removal, amendment, suspension of a restrictive or obsolete condition, servitude or reservation against the title of the land	3,000.00	3,117.00	3,260.38	3,403.84	
Amendment or cancellation of a general plan of a township	2,500.00	2,597.50	2,716.99	2,836.53	
Division of farm land	6,000.00	6,234.00	6,520.76	6,807.68	
<b>Subdivision of land:</b>					
For first five even	2,500.00	2,597.50	2,716.99	2,836.53	
Every erf additional to the first five even Per erf	2,500.00	2,597.50	2,716.99	2,836.53	
Consolidation of land	2,500.00	2,597.50	2,716.99	2,836.53	
Simultaneous subdivision and consolidation of land	2,500.00	2,597.50	2,716.99	2,836.53	
Permanent closure of a public place (per closure)	3,000.00	3,117.00	3,260.38	3,403.84	

Development on communal land (per sqm)		6.15	6.39	6.69	6.98
Consent use (per sqm)		8.61	8.95	9.36	9.77
The removal, amendment or suspension of a restrictive title condition relating to the density of residential development		2,500.00	2,597.50	2,716.99	2,836.53
		-	-	-	-
		-	-	-	-
<b>MISCELLANEOUS FEES</b>					
Erection of a second dwelling		600.00	623.40	652.08	680.77
Relaxation of height restriction		600.00	623.40	652.08	680.77
Relaxation of building line		600.00	623.40	652.08	680.77
Consideration of site development plan		600.00	623.40	652.08	680.77
Extension of validity period of approval		130.00	135.07	141.28	147.50
Reason for decision of municipal planning tribunal, land development officer or appeal authority		190.00	197.41	206.49	215.58
Re-issuing of any notice of approval of any application		80.00	83.12	86.94	90.77
Application of lost copy of deed of grant		230.00	238.97	249.96	260.96
Copy of Deeds search		15.00	15.59	16.30	17.02

Valuation Letter		15.00	15.59	16.30	17.02
<b>Public Notice:</b>		-	-	-	-
Public Notice and advertisements in the legal section of the paper		1,800.00	1,870.20	4,958.23	2,042.30
Public Notice and advertisements in the body of the paper		3,500.00	3,636.50	3,803.78	3,971.15
<b>LAND USE APPLICATIONS FROM TRADITIONAL AUTHORITIES</b>					
Residential	R188 settlement	120.00	124.68	130.42	136.15
Residential	R293 settlement	320.00	332.48	347.77	363.08
Church	R188 settlement	210.00	218.19	228.23	238.27
Church	R293 settlement	420.00	436.38	456.45	476.54
Liquor Restaurant/Tavern	R188 settlement	260.00	270.14	282.57	295.00
Bottle store	R293 settlement	370.00	384.43	402.11	419.81
Institutional	R188 settlement	210.00	218.19	228.23	238.27
Institutional	R293 settlement	320.00	332.48	347.77	363.08

Motor Spares/Scrap Yard	R188 settlement	210.00	218.19	228.23	238.27
Motor Spares/Scrap Yard	R293 settlement	320.00	332.48	347.77	363.08
Driving School	R188 settlement	320.00	332.48	347.77	363.08
Driving School	R293 settlement	420.00	436.38	456.45	476.54
Car Wash	R188 settlement	160.00	166.24	173.89	181.54
Car Wash	R293 settlement	210.00	218.19	228.23	238.27
Filling Station	R188 settlement	740.00	768.86	804.23	839.61
Guest House/ B & B	R188 settlement	420.00	436.38	456.45	476.54
Guest House/ B & B	R293 settlement	631.24	655.86	686.03	716.21
General Dealer	R188 settlement	210.00	218.19	228.23	238.27
General Dealer	R293 settlement	370.00	384.43	402.11	419.81
Bakery	R188 settlement	220.00	228.58	239.09	249.61
Bakery	R293 settlement	320.00	332.48	347.77	363.08
Restaurant	R188 settlement	260.00	270.14	282.57	295.00
Restaurant	R293 settlement	320.00	332.48	347.77	363.08
Butchery	R188 settlement	210.00	218.19	228.23	238.27

Butchery	R293 settlement	370.00	384.43	402.11	419.81
Tuckshop	R188 settlement	110.00	114.29	119.55	124.81
Industrial	R188 settlement	600.00	623.40	652.08	680.77
Mortuary/Funeral Parlour	R188 settlement	631.24	655.86	686.03	716.21
Mortuary/Funeral Parlour	R293 settlement	740.00	768.86	804.23	839.61
Salon/ Dress making	R188 settlement	160.00	166.24	173.89	181.54
Salon/ Dress making	R293 settlement	210.00	218.19	228.23	238.27
Other Business	R188 settlement	210.00	218.19	228.23	238.27
Other Business	R293 settlement	320.00	332.48	347.77	363.08
Agricultural	R188 settlement	210.00	218.19	228.23	238.27
Change of Ownership	R188 settlement	160.00	166.24	173.89	181.54
Change of Ownership	R293 settlement	210.00	218.19	228.23	238.27
Lodge/Conference and Accommodation	R188 settlement	370.00	384.43	402.11	419.81
Lodge/Conference and Accommodation	R293 settlement	470.00	488.33	510.79	533.27
Shopping Complex		590.00	613.01	641.21	669.42
Home Office	R188 settlement	160.00	166.24	173.89	181.54

Home Office	R293 settlement	210.00	218.19	228.23	238.27
Building Plans		260.00	270.14	282.57	295.00
Inspection fee and 4 Visits (per visit)		110.00	114.29	119.55	124.81
Gymnasium	R188 settlement	160.00	166.24	173.89	181.54
Gymnasium	R293 settlement	320.00	332.48	347.77	363.08
Recreational/Cultural	R188 settlement	320.00	332.48	347.77	363.08
Recreational/Cultural	R293 settlement	470.00	488.33	510.79	533.27
Cell phone Mast Station		631.24	655.86	686.03	716.21

TARIFF STRUCTURE 2021-2022					
OUTDOOR ADVERTISING		2020/2021	2021/2022	2022/2023	2023/2024
	DESCRIPTION				
Billboards	Application fee: (Non-refundable)	2,000.00	2,000.00	2,000.00	2,000.00
	2x3 Non-Illuminated (Revenue generating Billboards)	R100 per sqm	R100 per sqm	R100 per sqm	R100 per sqm

	<b>2x3 Illuminated/Revenue Generating Billboards)</b>				
	Monthly Fee				
		R200 per sqm	R200 per sqm	R200 per sqm	R200 per sqm
<b>Banners And Flags</b>	Application fee: (Non-Refundable)	1,250.00	1,250.00	1,250.00	1,250.00
		R100 pr Banner for 10Days	R100 pr Banner for 10Days	R100 pr Banner for 10Days	R100 pr Banner for 10Days
	Penalty for non-removal of banner/flag	R200 per banner/flag	R200 per banner/flag	R200 per banner/flag	R200 per banner/flag
	Estate Agent Registration fee / annum for display of 'on show' boards	R1000 per display for three months	R1000 per display for three months	R1000 per display for three months	R1000 per display for three months
	Extension for rental	R1000 for three months	R1000 for three months	R1000 for three months	R1000 for three months
	Administration fee: Seizing and Confiscation of signs (excluding removal/dismantling costs, excluding any fines or penalties Billboards – any size				

	Trailer advertising:						
	Application fee: (Non-Refundable)						
	✓ o Application fee per trailer	1,500.00	1,500.00	1,500.00	1,500.00		
	✓ o Daily fee to advertise	R200 per trailer for ten days	R200 per trailer-10 days	R200 per trailer-10 days	R200 per trailer-10 days		
Posters	Application fee: (Non-Refundable)	2,000.00	2,000.00	2,000.00	2,000.00		
	NPO- Subject to submission of NPO certificate	R16 per poster for ten(10) Days	R16 per poster for ten(10) Days	R16 per poster for ten(10) Days	R16 per poster for ten(10) Days		
	Awareness campaigns by Government Departments and School events						
	FOR COMMERCIAL PURPOSES	R100 per poster for ten(10) Days	R100 per poster for ten(10) Days	R100 per poster for ten(10) Days	R100 per poster for ten(10) Days		
	ELECTION/ CAMPAIGN POSTERS FOR POLITICAL PARTIES	R100 per poster for ten(10) Days	R100 per poster for ten(10) Days	R100 per poster for ten(10) Days	R100 per poster for ten(10) Days		



TARIFF STRUCTURE - 2021/2022					
BUDGET AND TREASURY		2020/2021	2021/2022	2022/2023	2023/2024
CATEGORY OF PROPERTY					
increments					
Residential stands (Improved)		4.5%	3.9%	4.2%	4.4%
Residential stands (Vacant)		0.0046	0.0048	0.0050	0.0053
Business stands /Industrial (Improved)		0.0232	0.0241	0.0252	0.0263
Business stands/ Industrial (Vacant)		0.0069	0.0071	0.0074	0.0077
Farming and Agricultural properties		0.0080	0.0083	0.0087	0.0091
Mining properties		0.0012	0.0012	0.0013	0.0013
All Government properties. (Improved)		0.0069	0.0071	0.0074	0.0077
All Government properties. (Vacant)		0.0080	0.0083	0.0087	0.0091
Consumer Deposits	Domestic	800.00	800.00	800.00	800.00
	Businesses	2,000.00	2,000.00	2,000.00	2,000.00
	Contractors	5,000.00	5,000.00	5,000.00	5,000.00
Interest on Arrear Accounts		10%	10%	10%	10%
Copy of the Valuation Roll		500.00	500.00	500.00	500.00
Proof of Residents(Township)		15.00	15.00	15.00	15.00
Proof of Residents(Rural)-Letter from Tribal authority required					
Tender documents:					
R200 000-R	1 000 000	250.00	250.00	250.00	250.00
R1000 001-R2 000 000		350.00	350.00	350.00	350.00
R2 000 001-Above		400.00	400.00	400.00	400.00

TARIFFS FOR LEBOWAKGOMO LIBRARY FOR 2021/2022				
	2020/2021	2021/2022	2022/2023	2023/2024
<b>1. MEMBERSHIP FEES</b>				
<b>1.1 Deposit</b>				
For any person/family without a current Municipality account at the Local Moshate/ or Lepelle-rikumpi Local Municipality				
<b>1.2 Membership fees</b>				
Corporate Membership(e.g. school)	100.00	100.00	100.00	100.00
Per adult, per year	R30.00	R30.00	R30.00	R30.00
Per child, per year	R15.00	R15.00	R15.00	R15.00
<b>2. USER FEES (payable in advance)</b>				
(i) Inter-library loan, per book request				
Inter-library loan, photocopies as per SALS fees	25.00	25.00	25.00	25.00
(ii) Special request, per request	15.00	15.00	15.00	15.00
(iii) Compact discs, per loan	n/a	n/a	n/a	n/a
(iv) Video/ DVD, per loan	R 5.00	R 5.00	R 5.00	R 5.00
(v) Books on the tape, per loan	R 7.00	R 7.00	R 7.00	R 7.00
(vi) Blind library/Visually impaired material	R 5.00	R 5.00	R 5.00	R 5.00
(vii) Photocopies A4, each(Black and white)	Free	Free	Free	Free
Photocopies A3, each	R 1.00	R 1.00	R 1.00	R 1.00
Colour A3	R 2.00	R 2.00	R 2.00	R 2.00

				4.00	4.00	4.00	4.00	4.00
	Colour copies (when available) A4			2.00	2.00	2.00	2.00	2.00
		A3		R 3.00	R 3.00	R 3.00	R 3.00	R 3.00
(ix)	Scanner			3.00	3.00	3.00	3.00	3.00
<b>3. FINES</b>								
(i)	Per overdue book, per week or part thereof (per day)			2.00	2.00	2.00	2.00	2.00
(ii)	Per overdue record/ compact disc/ art print/ video per day			5.00	5.00	5.00	5.00	5.00
(iii)	Loss of book cover, per cover			R 3.00	R 3.00	R 3.00	R 3.00	R 3.00
(iv)	Saucy Collection, per item, per day			n/a	n/a	n/a	n/a	n/a
(v)	Replacement of membership card			R10.00	R10.00	R10.00	R10.00	R10.00
<b>4. ADMINISTRATION COSTS REGARDING THE RECOVERY OF OVERDUE/ LOST/ DAMAGED LIBRARY MATERIAL</b>								
(i)	Reminder (Letter/e-mail/SMS)			R 3.00	R 3.00	R 3.00	R 3.00	R 3.00
(j)	Registered letter			R20.00	R20.00	R20.00	R20.00	R20.00
(k)	Placement on Municipality service account			10.00	10.00	10.00	10.00	10.00
(l)	Further action: (ii) and (iii) plus real expenses incurred							
<b>5. LOST/ DAMAGED BOOKS/ OTHER LIBRARY MATERIAL</b>								
<b>Category</b>								
	Vernacular			R 36.00	R 36.00	R 36.00	R 36.00	R 36.00
	Afrikaans Fiction			R 56.00	R 56.00	R 56.00	R 56.00	R 56.00
	English Fiction			R107.00	R107.00	R107.00	R107.00	R107.00

Non-Fiction	R133.00	R133.00	R133.00	R133.00
Study Collection	R207.00	R207.00	R207.00	R207.00
Reference Books	R235.00	R235.00	R235.00	R235.00
Junior Non Fiction	R 50.00	R 50.00	R 50.00	R 50.00
Junior Fiction	R 50.00	R 50.00	R 50.00	R 50.00
Toddlers' Books	R 40.00	R 40.00	R 40.00	R 40.00
Compact Discs/ DVD	R134.00	R134.00	R134.00	R134.00
Audio Books	R175.00	R175.00	R175.00	R175.00
CD-ROM	R 71.00	R 71.00	R 71.00	R 71.00
Videos	R 60.00	R 60.00	R 60.00	R 60.00
Newspapers Publishers price plus R2.00 admin cost	n/a	n/a	n/a	n/a
Periodicals Publishers price plus R2.50 admin costs	n/a	n/a	n/a	n/a

5. GRANTS AND SUBSIDIES FOR THE 2021/22 MTRF

BREAK DOWN OF GOVERNMENT GRANTS	2 <sup>nd</sup> Adjustment Budget 2020-2021	Budget Year + 1 2021-2022	Budget Year +2 2022-2023	Budget Year +3 2023-2024
EQUITABLE SHARE	318,513,000.00	275,926,000.00	288,504,000.00	280,204,000.00
FMG GRANT	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
MIG GRANT	53,720,000.00	57,035,000.00	61,628,000.00	64,340,000.00
MIG GRANT – ROLL OVER	16,167,541.00	-	-	-
INEP/DME	-	-	-	-
EPWP INCENTIVE GRANT	1,906,000.00	1,969,000.00	-	-
CDM: ERADICATION OF ALIEN PLANT	16,455.00	16,455.00	-	-
CDM: MAMAOLO HALL	6,135.00	6,135.00	-	-
CDM: SELETENG SOFTBALL DIAMOND	300,000.00	-	-	-

		300,000.00	-	-
CDM: INTERGRATED TRANSPORT PLAN	377,308.00	377,308.00	-	-
<b>TOTAL</b>	<b>393,006,439.00</b>	<b>344,679,898.00</b>	<b>360,132,000.00</b>	<b>355,544,000.00</b>

The Budget indicates the following:-

- Total revenue including grants equal to R553.1m, R495.9m and R470.1 for the 2021/2022, 2022/2023 and 2023/2024 financial years respectively.
- Total grants equal R344.7m R360.1m and R355.5m for the 2021/2022, 2022/2023 and 2023/2024 financial years respectively.
- The budget indicates that the municipality is grant dependant as the highest contributor is income received from National Treasury for Grants and Subsidies at 61.21% for the 2021/2022, 72.62% for 2022/2023 and 75.63% for 2023/2024 financial year.  
The Grant allocation is as per the DoRA bill.
- Revenue from Trading Services (property rates and refuse removal) including interest charged from overdue accounts for the 2021/2022 is at R52.0m, 2022/2023 is at R54.2 and 2023/24 is at R56.6 i.e. 9.24%, 10.93% and 12.04% of the total budget.
- The agency services include commission from sale of water and sanitation of an amount of R17.4, R29.8m and R31.0m respectively and agency fees for Dept. of Roads and Transport in line with the 80/20 agreement and the Capricorn District

Municipality service level agreement. The agency services has increased by 170.64% i.e from R17.4 to R29.8m in 2019-2020 and 2020-2021 financial years respectively due to correction of CDM agency fee which was under budgeted for in 2019-2020 financial year.

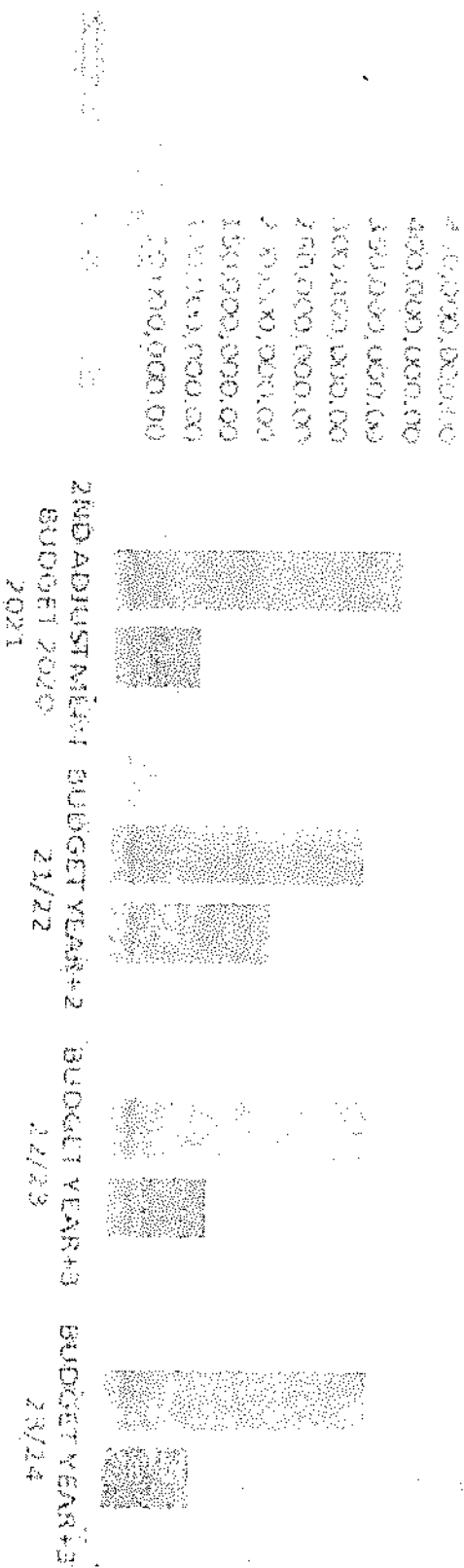
- Income from accumulated surplus for the 2021/2022 financial year to cater for capital expenditure amounts to R98.7m which will be used to cater for Capital Expenditure, and Electricity Reticulation Projects which were unspent and rolled over from 2020-2021 to 2021-2022 financial years.

REVENUE BY SOURCE	2ND ADJUSTMENT BUDGET 2020-2021	BUDGET YEAR+2 21/22	BUDGET YEAR+3 22/23	BUDGET YEAR+3 23/24
Total Revenue Including capital transfers and contributions)	393,006,439.00	344,679,898.00	360,132,000.00	355,544,000.00
Own Revenue	117,517,812.83	218,387,605.14	135,787,770.55	114,576,620.49
<b>TOTAL REVENUE</b>	<b>510,524,251.83</b>	<b>563,067,503.14</b>	<b>495,919,770.55</b>	<b>470,120,620.49</b>

The budget will be funded as follows:-

- Total revenue budget of R563.1 Council generates R218.4 (38.8%) and from Grant R344.7 (61.21%). The Council is 61.21% grant dependant.

## Grant Dependancy Level



### 1.4 OPERATING REVENUE FRAMEWORK

Lepelle-Nkumpi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will certainly 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:-**

- ✓ It very critical for the municipality to implement the debt management strategy, make sure debt is arrested before they are over 90 days. This strategy should include an emphasis on the monitoring of the Top 100 debtors; the pursuance of government debt with possible intervention by Provincial debt forum such as COGHSTA to assist the Municipality in follow-up of the government debt.
- ✓ Implementation of credit and debt collection policy (Handing over of debtors in arrears of more than 90 days.
- ✓ Implementation of Revenue Enhancement Strategy focusing on the short to medium term strategy.

**Impact of environmental factors on municipal services tariffs and property rates**

- ✓ Land invasions which negatively affect land development and land use (correct charge for property rates)
- ✓ Environmental degradation (illegal dumping and improper sewerage disposal resulting to poor air quality and human wellbeing)
- ✓ Municipalities also need to attract new businesses and create an environment to increase the rates base, sale of sites at Lebowakgomo unit H.
- ✓ However, the increase in new businesses and development will also lead to an increased demand and cost on infrastructure. To address that the municipality has made a total allocation of R 8,000,000 for year 1 R19,476,000 year 2 R0,00 and year 3 respectively for Township establishment (Provision of services unit H) (Ward 17)

**6. REVENUE OPTIMISATION**

- 4. **Completeness of revenue and initiatives to collect debt over 90 days**
  - ✓ The Municipality has appointed a service provider to assist with the Development and Implementation of revenue enhancement strategy which include a debt recovery strategy.
  - ✓ The first step the service provider has done was to develop the revenue enhancement strategy.
  - ✓ To assist the municipality with Data cleansing, to ensure that correct information for each consumer is kept on the financial system, that all consumers are charged for property rates and municipal services and for the correct tariff.

- ✓ The strategy will include the four traditional centers of collection namely: Credit control, Call Centre, Debt collection and Legal debt collections.
- ✓ Key to revenue collection is the billing and collecting of all known accounts on time and in full.
- ✓ LNM also embarked on the implementation of credit control on employees and councillors wherein they were forced to make arrangements and the project yielded the following result adequate provision for bad debts:
- ✓ Key to revenue collection is the billing and collecting of all known accounts on time and in full.
- ✓ Adequate provision for bad debts
- ✓ Address the issue of returned mail
- ✓ Using revenue clearance certificates (RCCs) when a property is sold to ensure that all outstanding debt is collected.
- ✓ Implementation of debt and Credit Control Policy and By-Laws to enhance revenue collection.
- ✓ Restriction and termination of water supply to enforce payment services.
- ± **Financial impact of proving FBS above the minimum FBS support**
  - ✓ The municipality has decided to provide FBS within the minimum requirement of R6kl water, 50kw Electricity, R32.18 for refuse removal and for Property rates a discounted rates of 50%, but the provision of the service has major challenges in terms of affordability and the impact on the financial sustainability of municipalities.
  - ✓ Whilst the equitable share has been allocated to fund this, there is a funding gap due to high municipal needs.
- ± **Additional pressure on property rates**
  - ✓ Inaccuracy in valuation of property

- ✓ Unregistered properties within the jurisdiction of the municipality
- ✓ Unconfirmed ownership of government properties.
- ✓ Farms properties transfers to traditional authorities which results in unpaid property rates.

↓ To address this challenges the Municipality is currently busy with :-

- ✓ The registration of own properties which are on the valuation roll but not registered.
- ✓ Department of public works is currently registering all their properties.
- ✓ Continuous engagement with the valuers with regard to the updating of the valuation roll through supplementary valuations.
- ✓ Continuous engagement with the department of rural development on payment of property rates on behalf of traditional authorities.

Expenditure by Vote	2 <sup>nd</sup> Adjustment Budget 2020-2021	Budget Year + 1 2021-2022	Budget Year +2 2022-2023	Budget Year +3 2023-2024
Salaries and wages	113,807,212.00	123,038,453.22	126,968,273.14	132,316,751.64
Remuneration of councillors	23,639,472.00	24,561,431.00	25,593,011.10	26,719,103.59
Debt impairment	31,257,430.00	51,757,718.00	53,931,542.00	56,304,529.00
Depreciation & asset impairment	32,261,244.00	33,519,432.00	34,927,249.00	36,464,047.00
Finance Charges	141,075.00	146,577.00	152,733.00	159,453.00
Contracted services	94,662,884.00	131,369,901.00	64,532,301.91	68,619,640.04
Other materials	3,500,000.00	8,036,410.00	8,037,830.00	8,391,463.00
Other expenditure	45,615,028.00	44,925,105.99	45,519,730.40	47,522,653.22
<b>Total Expenditure</b>	<b>337,884,345.00</b>	<b>417,404,753.14</b>	<b>359,662,670.55</b>	<b>376,497,620.49</b>

- Total operating expenditure equals R417.4m R359.6m and R376.5m for the 2021/2022, 2022/2023 and 2023/2024 financial years respectively.
- Included in the operating expenditure budget for the 2021/2022 is provision for bad debts amounting R51.7m and Depreciation amounting to R33.5m. Electricity project of R44.9m and D-Roads Projects of R22.2m

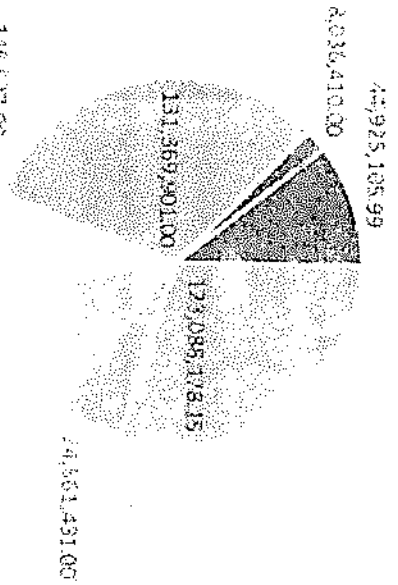
## 7. OPERATING EXPENDITURE FRAMEWORK

- The Municipality's expenditure framework for the 2021/22 budget and MTRRF is informed by the following:
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA.
- ~~Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit and roll over projects.~~
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the Infrastructure plan.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.
- The departments were encouraged to make feasibility studies so that their projections can be informed and be responsive to the SCM processes to adhere to the procurement plan and speed up service delivery.

Expenditure by Type 2021-22

Expenditure by Type	Budget Year + 1 2021-2022	%
Salaries and wages	123,088,178.15	29.49
Remuneration of councillors	24,561,431.00	5.88
Debt impairment	51,757,718.00	12.40
Depreciation & asset impairment	33,513,432.00	8.03
Finance Charges	143,577.00	0.04
Contracted services	131,369,901.00	31.47
Other materials	8,036,410.00	1.93
Other expenditure	44,925,105.99	10.76
<b>Sub-total</b>	<b>417,404,753.14</b>	
Capital	145,662,750.00	25.87
<b>TOTAL</b>	<b>563,067,503.14</b>	<b>100.00</b>

### Expenditure by Vote



Category	Amount
Police	24,925,105.99
Fire	2,036,410.00
Public Works	11,369,901.00
Library	12,085,178.15
Other	24,551,451.00
<b>Total</b>	<b>74,968,046.14</b>

- ✦ The budgeted allocation for employee related costs for the 2021/22 financial year totals R147.6million, which equals 26.22 per cent of the total operating expenditure. Personnel costs were based on the National Treasury CPI inflation Projections as the three year collective SALGBC agreement has come to an end for a period 01 July 2018 to 31 June 2020 and the consultation is still in process is still on process, salary increases have been factored into this budget at a percentage increase of 3.9% for the 2021/22, 4.2% per cent, 4.4% financial year respectively.
- ✦ The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). As we are still waiting for Minister Proclamation in this regard CPI inflation has been taken into account in compiling the Municipality's budget.
- ✦ The provision of debt impairment was determined based on an annual collection rate of 25 per cent and the Debt Write-off Policy of the Municipality. For the 2021/22 financial year this amount equates to R51.8m, 2021/22, R53.9m for 2022/23 and 56.5m for 2023/2024 respectively. The provision has increased by 39.61% due to CDM provision which was not previously budgeted for.
- ✦ To be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.
- ✦ Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a representation for the measurement of the rate asset consumption. Budget assumptions in this regard is R33.5 million for the 2021/22 financial and equates to 5.95 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a slight increase in depreciation compare to previous years.
- ✦ Inventory consumed/ other material comprises of amongst others the stock items and cleaning materials. For 2020/21 the assumption against this group of expenditure is by 1.43%.
- ✦ Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved through the implementation of Cost Containment Measures as listed in the municipal approved policy.



† National Treasury Circular 55 has recommended that the allocations to repairs and maintenance should be 8 per cent of PPE.

† According to the budget projections, the municipality's repairs and maintenance as at 10.45%, 11.40% and 17.32% of PPE for the 2021/22, 2022/23 and 2023/24 financial years respectively.

† The budget for the current financial year is insufficient with a little bit of an improvement in the outer years.

## 8. CAPITAL EXPENDITURE

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

Categories	2 <sup>nd</sup> Adjustment Budget 2020-2021	Budget Year + 1 2021-2022	Budget Year + 2 2022-2023	Budget Year + 3 2023-2024
Capital project - own funding	93,689,717	74,862,000	70,210,500	30,000,000
Capital Project - MIG Funded	51,280,533	54,230,750	58,546,600	61,123,000
Capital Project - MIG Rolled Over Funded	16,167,540	-	-	-
Institutional Development- own funding	6,382,000	16,570,000	7,500,000	2,500,000
Capital Budget	167,519,790	145,662,750	136,257,100	93,623,000

Out of the total capital budget of R146m, R136.3m and R93.6 for the 2021/2022, 2022/2023 and 2023/2024 financial years R54.2m R58.5m and R61.1m of the total budget for the 2021/2022 2022/2023 and 2023/2024 financial years will be funded by Municipal Infrastructure Grant (MIG) which is 37.23%, 42.97% and 65.29% of the total capital budget.

- Refer to the attachments for Electricity and Capital projects.

**9. Recommendations**

It is recommended that:

9.1. The 2021-22 MTREF Budget for approval as follows:-

Description	Budget Year +1 2021/2022	Budget Year +2 2022/2023	Budget Year +3 2023/2024
Total Revenue	563,067,503.14	495,919,770.55	470,120,620.49
Total Operating Budget	417,404,753.14	359,662,670.55	376,497,620.49
Total Capital Budget	145,662,750	136,257,100	93,623,000
Surplus/Deficit	145,662,750	136,257,100	93,623,000

9.2 The 2021-22 MTREF Budget for approval as in Tables A1-A10.


- a) MBRR Table A1 – Monthly Budget Summary
- b) MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard)
- c) MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)
- d) MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)
- e) MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- f) MBRR Table A6 - Budgeted Financial Position
- g) MBRR Table A7 - Budgeted Cash Flow
- h) MBRR Table A8 - Budgeted cash back reserve/ accumulated surplus/deficit
- i) MBRR Table A9- Budgeted Assets Management
- j) MBRR Table A10-budgeted Service Delivery measurement

9.3 The Budget Related Policies

- ✓ Supply Chain Management Policy
- ✓ Asset Management Policy
- ✓ Property Rates Policy
- ✓ Bad debts and write off Policy
- ✓ Tariff Policy
- ✓ Credit Control and Debt Collection Policy
- ✓ Budget and Virement Policy
- ✓ Cash and Investment Management Policy
- ✓ Indigent Policy

9.4 2021/22 Tariff Structure is tabled in accordance with Section 34(a) of MSA, Act 32 of 2000 and Section 16 (2) MFMA Act No 56 of 2003.



ACTING MUNICIPAL MANAGER  
K G MANKGA