

**TO:**

Acting City Manager  
Acting COO  
All Executive Directors  
Managing Directors  
CEO's  
Head of the Departments  
Finance Directors and Managers  
Chief Financial Officers

28 February 2022

**FINAL BUDGET ALLOCATIONS FOR 2022/23 TO 2024/25**

The purpose of this memorandum is to give guidance to departments and entities regarding the finalization of the Draft Medium-Term budget for 2022/23 – 2024/25.

Annexure A and B attached are final indicative medium-term expenditure budget allocations for the various departments and municipal entities. Development Planning will distribute the final capital project list/budget (JSIP) on 2 March 2022. Only capital projects reflected on JSIP will be submitted to the Council for consideration.

The Minister of Finance's budget speech was held on 23 February 2022. The national grant allocations (as per the Gazette) need to be taken into account in the final budget submissions to Budget Office. Transfers from the Provincial Government are not yet published, it will be communicated to the various departments and municipal entities once received.

**Key budget considerations:**

- There should be a clear prioritisation and incorporation of projects that align to the Multiparty Government objectives;
- Prioritisation of projects that contribute and preserve the City's revenue base and minimise revenue leakages;
- Preservation and consideration of projects or programmes to ensure minimum impact on service delivery;
- Where a trade-off needs to be done, preserve projects that are linked to local government core competency or service delivery;
- A demonstrable and concerted effort to contain and align proposed expenditure to realistically expected resources; and
- A thorough review of the implementation capacity so as not to compromise the closing financial position of the organisation.

## Assumptions and parameters for 2022/23 to 2024/25

- CPI is estimated at:
  - 5.0% - 2022/23
  - 4.5% - 2023/24
  - 4.5% - 2024/25
- Estimated salary increases:
  - 4.9% - 2022/23
  - 4.5% - 2023/24
  - 4.5% - 2024/25
- Estimated loan interest:
  - 13.91% - 2022/23
  - 14.41% - 2023/24
  - 14.47% - 2024/25

### Key budget timelines are noted below:

4 March 2022 (Not later than 12:00)	Submission of final budget files and proposals to the Budget Office
4 March 2022	Submission of final tariffs reports to Mayoral Committee Officer (copy to be submitted to Budget office)
14 March 2022	Mayoral Committee: Considers the tabled draft IDP, Budget, SDBIP, business plans and tariffs

Due to the tight timelines as indicated above, we request that departments and entities ensure that their budget templates are completed accurately and that it be submitted to Group Budget and Planning on or before 4 March 2022 by not later than 12:00.

### Budget contents and format that must be submitted to Group Budget and Planning:

1. The detail budget template (version 2021/22 – 2) all sheets need to be completed and all financial years – **to be submitted by 4 March 2022 or earlier.**

Please note the detailed budget template includes the following sheets/information that needs to be completed:

- Header;
- Checklist;
- Focus areas (sub-programmes need to be inserted in column F)
- Parameters – **please change it to be the same as reflected in this memo;**
- Income statement;
- Capex;
- Direct revenue and expenditure;
- Inter-company;
- Core departmental charges;
- Breakdown of inter-company revenue;
- Breakdown of costing revenue;
- Cost centers;
- Line item;

- A10: Basic services delivery measurements;
  - FBS: Free basic services;
  - SA8: Performance indicators and Benchmarks (**City Power & JHB Water only**).
  - SA23 to SA24: Salaries of councillors, board members, senior managers, staff benefits and personnel numbers.
  - SA32: List of external mechanism.
  - SA33; Contracts having future budgetary implications.
  - SA34c: Maintenance per category and operational projects.
  - SA37: Delayed capital projects.
  - Quality certificates to be submitted together with budget submissions.
2. **Written motivations** from departments and entities to with regard to their budget submission– **to be submitted by 4 March 2022.**
  3. Final tariff reports to the Mayoral Committee – **to be submitted by 4 March 2022.**
  4. E-Schedules (adjustment budget - municipal entities only) – **to be submitted by 11 March 2022 or earlier.**
  5. D-Schedules (medium term budget - municipal entities only) – **to be submitted by 11 March 2022 or earlier.**
  6. A quality certificates in terms of regulation 36 of the Municipal Budget and Reporting regulations must be signed by the ED & Head of Finance for Core departments and CFO and Managing Director for ME's) – **to be submitted by 11 March 2022 or earlier.**

Your cooperation in complying with deadlines will be highly appreciated.

Regards



Ntuthuzelo April  
Director: Group Budget and Planning  
Group Finance

Tel: 011 358 3290

Cell: 0813529394

*Departments and ME's that's needs assistance in resubmitting the budget templates may contact Group Budget and Planning at:*

*Sibusiso Nkosi at Tel 011 703 5234 SibusisoNk@joburg.org.za*

*Lentswe Motshwane at Tel 011 703 5282 or LentsweM@joburg.org.za*

*Vinod Moodley at Tel 011358 3455 or 083 272 8517 VinodM@joburg.org.za*

*Hendrik Porter at Tel 011 358 3144 or 082 467 9449 HendrikP@joburg.org.za*

*Danny Serumula at Tel 011 358 3514 or DannySe@joburg.org.za*