

# LEKWA LOCAL MUNICIPALITY BUDGET BOOK: 2011/2012 FINANCIAL YEAR

## 2.1. Executive Summary

A summary of the operating and capital budget proposals over the medium-term, in terms of the attached budget schedules, is provided in the table 1 and 2 below.

TABLE 1

TOTAL EXPENDITURE BUDGET	APPROVED BUDGET	ESTIMATED BUDGET	ESTIMATED BUDGET
	2011/2012	2012/2013	2013/2014
	R	R	R
Operating expenditure	363,090,212	402,709,608	434,237,803
Capital budget	44,065,555	50,612,116	52,694,995
<b>Total budget</b>	<b>407,155,767</b>	<b>453,321,724</b>	<b>486,932,798</b>

TABLE 2

TOTAL REVENUE BUDGET	APPROVED BUDGET	ESTIMATED BUDGET	ESTIMATED BUDGET
	2011/2012	2012/2013	2013/2014
	R	R	R
Internal revenue	305,616,767	329,410,724	355,248,798
Grants & Subsidies	111,539,000	123,911,000	131,684,000
<b>Total revenue</b>	<b>417,155,767</b>	<b>453,321,724</b>	<b>486,932,798</b>

## 2.2. Tariffs

Services	Current	New
	2010/2011	2011/2012
Property rates	7%	8%
Water	7%	8.5%
Electricity	19%	20.38%
Sewer/Sanitation	7%	8.14%
Refuse Removal	6%	26.12%
Cemetery	200%	0%
Other Services	6%	6%

### 3.1. Operating Revenue and Operating Expenditure Summary

TABLE 3

OPERATING BUDGET		APPROVED	MEDIUM &	TERM	REVENUE
		BUDGET	EXPENDITUR	FRAMEWORK	
		2010-2011	2011-2012	2012/2013	2013/20RE14
1	<b>OPERATING REVENUE:</b>				
2	PROPERTY RATES	40,209,352	44,368,119	47,917,569	51,750,974
3	ELEC: SALES CONSUMERS	104,084,064	114,261,248	123,958,388	134,479,060
4	ELEC: SALES PREPAID METERS	42,758,815	54,102,068	58,700,744	63,690,307
5	S/WASTE: HOUSEHOLDS	11,113,450	14,016,334	14,857,314	15,748,753
6	SEWER: SERVICES TO THE PUBLIC	17,843,193	19,295,640	20,453,378	21,680,581
7	WATER: SALES	28,888,685	31,344,223	33,851,761	36,559,902
9	FINANCE: INTEREST BANK ACCOUNT	324,900	245,494	257,278	269,627
10	INTEREST : EXTERNAL INVESTMENT	200,000	535,650	561,362	588,307
11	FINANCE: INTEREST CONSUMERS	18,318,860	18,574,424	19,465,997	20,400,364
13	RENTAL OF FACILITIES	1,009,240	1,445,789	1,515,187	1,587,916
14	FINES	1,624,810	1,277,037	1,338,334	1,402,574
15	LICENSES & PERMITS	4,030,483	4,246,067	4,449,879	4,663,473
16	OTHER REVENUE	1,629,260	1,904,672	2,083,533	2,183,543
19	<b>TOTAL INTERNAL OPERATING REVENUE</b>	<b>272,035,112</b>	<b>305,616,767</b>	<b>329,410,724</b>	<b>355,248,798</b>
21	GRANTS & SUBSIDIES RECEIVED	64,622,000	72,824,000	80,289,000	85,662,000
22	<b>TOTAL OPERATING REVENUE</b>	<b>336,657,112</b>	<b>378,440,767</b>	<b>409,699,724</b>	<b>440,910,798</b>

22	<b>OPERATING BUDGET</b>	<b>APPROVED BUDGET</b>	<b>MEDIUM &amp; EXPENDITUR</b>	<b>TERM FRAMEWORK</b>	<b>REVENUE</b>
23		<b>2010-2011</b>	<b>2011-2012</b>	<b>2012/13</b>	<b>2013/14</b>
24	<b>OPERATING EXPENDITURE</b>				
25	SALARIES AND ALLOWANCES	89,576,171	109,582,750	118,877,786	128,604,455
26	REMUNERATION OF COUNCILLORS	5,296,673	7,537,932	8,140,967	8,792,244
27	<b>TOTAL SALARIES AND ALLOWANCES</b>	<b>94,872,844</b>	<b>117,120,682</b>	<b>127,018,753</b>	<b>137,396,699</b>
28	BAD DEBT PROVISION	12,214,687	9,214,687	13,500,000	12,000,000
29	REPAIRS & MAINTENANCE	11,887,228	15,999,894	17,490,637	18,512,130
30	FINANCE CHARGES	6,029,250	5,572,883	5,523,938	5,486,949
31	BULK PURCHASES WATER	1,165,000	1,165,000	1,258,200	1,358,856
32	BULK PURCHASE: ELECTRICITY	141,221,366	152,064,757	174,185,243	192,591,601
33	CONTRACTED SERVICES	9,347,685	10,623,943	11,187,012	11,802,298
34	ASSISTANCE TO INDIGENT	9,500,000	6,000,000	6,318,000	6,665,490
35	GENERAL EXPENSES	50,419,052	45,328,366	46,227,825	48,423,780
36	<b>TOTAL OPERATING EXPENDITURE</b>	<b>336,657,112</b>	<b>363,090,212</b>	<b>402,709,608</b>	<b>434,237,803</b>

## 5. Capital Budget

### 5.1 Detailed Capital Expenditure

<b>NO</b>	<b>PROJECT DESCRIPTION</b>	<b>APPROVED BUDGET 2010/11</b>	<b>APPROVED BUDGET 2011/12</b>	<b>ESTIMATED BUDGET 2012/13</b>	<b>ESTIMATED BUDGET 2013/14</b>	<b>Funding sources</b>
		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	
1	TAXI RANK:MALO JV FAITH	6,045,614				<b>NDPG</b>
2	ELECTRICIFICATION PROGRAMME:CONTRACTOR 08/09	1,015,427				<b>INEP</b>
3	GULE/NHLEKO STREET: SAKHILE	5,500,000				<b>MIG</b>
4	UPGRADING ROAD:KHAMA STREET	1,189,984				<b>MIG</b>
5	RECONSTRUCTION TARRED ROADS	6,000,000				<b>MIG</b>
6	CONSTRUCTION OF STORM WATER	4,888,522				<b>MIG</b>
7	CONSTRUCTION OF SANTA ROAD (W 6&9)	6,000,000				<b>GSDM</b>
8	UPGRADE MEYERVILLE WATER NETWORK	4,600,000				<b>MIG</b>
9	CONSTRUCTION OF STORM WATER STRUCTURE (W 1&2)	1,500,000				<b>INTE</b>
10	COMPLETION OF SANTA ROADS (W6&9)	2,000,000				<b>MIG</b>
11	CONSTRUCTION OF JABHILE STREET (W1)	4,500,000				<b>MIG</b>
12	INSTALLATION OF PAVEMENT & SIDEWALKS IN SAKHILE	2,488,090				<b>MIG</b>
13	CONSTRUCTION OF MAKGATLELA STREET(W5)	5,500,000				<b>MIG</b>
14	CONSTRUCT LINK ROAD SIDNEY DE LANE & ROBERTSDRIFT	5,000,000				<b>MIG</b>
15	STANDERKOP RESERVOIR(W10)	4,000,000				<b>GSDM</b>
16	BOREHOLES(W9,12,13)	1,000,000				<b>GSDM</b>
17	HIGHMAST LIGHTS STAINWES	1,000,000				<b>INTE</b>
18	HIGHMASTLIGHTS THUTHUKANI	1,000,000				<b>INTE</b>

19	VIP TOILETS (W9,12,13)	2,000,000				<b>GSDM</b>
20	UPGRADING OF SPORTS FACILITIES (SHOKUMA)	2,632,386				<b>NDPG</b>
21	PARTITIONING OF BTO OFFICES		1,000,000			<b>INTE</b>
22	UPGRADING COUNCIL CHAMBER		900,000			<b>INTE</b>
23	VEHICLES		2,500,000	6,000,000	6,000,000	<b>INTE</b>
24	TOOLS, EQUIPMENT, MACHINERY & FURNITURE		950,555	990,116	672,995	<b>INTE</b>
25	<b>2011/2012 MTREF</b>					
26	UNALLOCATED		4,000,000	43,622,000	46,022,000	<b>MIG</b>
27	INSTALLATION OF VIP TOILETS IN RURAL AREAS(W9,12,13)		3,350,000			<b>MIG</b>
28	REHABILITATION OF TARRED ROADS (W10&11)		4,000,000			<b>MIG</b>
29	UPGRADING VARIOUS ROADS IN SAKHILE (W2,6,7)		8,000,000			<b>MIG</b>
30	UPGRADING STANDERTON SEWR TREATMENT WORKS		4,000,000			<b>MIG</b>
31	CONSTRUCTION OF STORMWATER NETWORK (VARIOUS)		6,000,000			<b>MIG</b>
32	CONSTRUCTION OF COMMUNITY HALL(W11,15)		4,000,000			<b>MIG</b>
33	PMU UNIT		2,527,000			<b>MIG</b>
34	ELECTRIFICATION PROGRAMME		1,389,000			<b>INPE</b>
35	EXPANDED PUBLIC WORK PROGRAMMES		1,449,000			<b>NT</b>
	<b>TOTAL BUDGET</b>	<b>73,848,113</b>	<b>44,065,555</b>	<b>50,612,116</b>	<b>52,694,995</b>	

## 5.2. Capital Funding Sources

	<b>APPROVED BUDGET 2010/11</b>	<b>MEDIUM 2011/12</b>	<b>TERM EXP 2012/13</b>	<b>FRAMEWORK 2013/114</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>TOTAL CAPITAL</b>	73,848,129	44,065,555	50,612,116	52,694,995
<b>EXPENDITURE</b>				
<b>FUNDING SOURCES:</b>				
INTERNAL	11,976,180	5,350,555	6,990,116	6,672,995
MIG	29,830,000	35,877,000	43,622,000	46,022,000
INEP	-	1,389,000		
NDPG	8,678,000			
EPWP	-	1,449,000		
GSDM	13,000,000			
ROLL-OVER(MIG)	9,348,113			
ROLL-OVER(INEP)	1,015,427			
<b>TOTAL</b>	<b>73,848,129</b>	<b>44,065,555</b>	<b>50,612,116</b>	<b>52,694,995</b>