



Bela-Bela Local Municipality

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OFFICE OF THE MUNICIPAL MANAGER

PUBLIC NOTICE

APPROVED IDP/BUDGET FOR 2011/12 FINANCIAL YEAR

Notice is hereby given, in terms of Section 25 (4) of the Local Municipal Systems Act, 32 of 2000 and Section 22 of the Local Government: Municipal Finance Management Act, 56 of 2003, IDP Review for 2011/12 and MTREF Budget for 2012-2014 have been adopted by Bela-Bela Local Municipality 28 April 2011.

EXECUTIVE SUMMARY OF THE BUDGET

Service tariffs for the 2011/2012 financial year will be increased as follows:

- ♦ Water and Sewerage: 15%
- ♦ Refuse Removal: 4.8%
- ♦ Electricity tariffs will increase by average of 20.38% (Subject to approval of NERSA)

Indigent and Tariff policies were reviewed in accordance to Government policies in relation to free basic services and the following were approved with effect from 01 July 2011.

- ♦ Indigent households with a monthly income of R 0-R 2280: full rebate of account.
- ♦ Free Basic Water Services: first 6 kilolitres (kl) per month for indigent households
- ♦ Free Basic Electricity Services: 50 kwh per month for indigent consumers.

OPERATIONAL BUDGET

Bela-Bela Local Municipality presents an Operating Revenue Budget of **R 193, 9 million** and Operating Expenditure Budget totaling **R 178,9 million** to the 2011/2012 financial year. The table below set out the medium-term revenue and expenditure budget for the **2011/12 to 2013/14** period.

Details	2010/2011 Budget	2011/2012 Budget	%	2012/2013 Budget	2013/2014 Budget
Operating Revenue					
Service Charges & Rates	107 650 000	122 216 000	13.53%	129 531 000	137 302 000
Operating Grants	38 364 000	41 961 000	9.38%	43 318 000	47 690 000
Other Revenue	27 453 000	29 943 000	9.07%	29 935 000	31 708 000
Total Operating Revenue	173 467 000	193 920 000	11.79%	202 784 000	216 700 000
Total Operating Expenditure	162 110 000	178 933 000	10.38%	189 669 000	199 153 000
Surplus	11 657 000	14 987 000	28.57%	13 115 000	17 547 000

The Municipality is projecting a surplus before transfer to capital expenditure is of R **14.9 million** for 2011/2012, R **13.1 million** for 2012/2013 and R **17.5 million** for 2013/2014. Thus surplus to be transferred towards the capital budget for 2011/12 is R **14.7 million** and the net surplus for the year is R **0.2 million**. The increase of 10.38% in expenditure is mainly as a result of the anticipated salary increases of 6.8 % bulk electricity purchases (26.71% on Eskom), Water and Sewerage of 15% and inflationary increases on other service delivery expenses.

Even though 2011/2012 budget has been prepared on the basis of limited resources, it is still acknowledged that the municipality needs to fund programmes and continue to invest in its infrastructure to ensure that service delivery is maintained and remain responsive to the community's needs.

Capital Budget

In the 2011/2012 financial year we will invest R **30.2 million** on capital infrastructure, which will be financial through a combination of surplus cash and grant funding. Grant funding from national government totals **51%** of the total capital budget (Funded through Municipal Infrastructure Grant and Provincial Infrastructure Grant) and **49%** from own revenue.

In monetary terms R **14.7 million** will be funded from Bela-Bela Municipal own funds and R **15.5 million** from National Government Grants.

Funding Source	2009/2010 Budget	2010/2011 Budget	%	2011/2012 Budget	2012/2013 Budget
Surplus Cash	4 443 000	9 500 000	113.81%	6 409 000	5 161 000
Grants	15 126 000	15 903 000	19.36%	18 518 000	21 868 000
Total	19 569 000	25 403 000	45.14%	2 000 000	2 000 000

Capital Budget will be spent as follows:

- ♦ Water Infrastructure – R 3.7 million ♦ Sanitation – R 150 000
- ♦ Road and Storm water – R 7.6 million ♦ Community services – R 7.3
- ♦ Electricity – R 2.3 million ♦ Governance, Finance & Information Technology – R 9.0 million

The approved documents are available at the Municipal Offices, Chris Hani Street, Bela-Bela, New Municipal Building. The documents are also available at Bela-Bela municipal's

website: www.belabela.gov.za

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N.S. Bambo

The Municipal Manager