

RATLOU LOCAL MUNICIPALITY

7. 2024 - 2025 ANNUAL BUDGET AND BUDGET RELATED POLICIES

PURPOSE

To present the 2024-25 Annual budget to Council.

BACKGROUND

In terms of the Municipal Finance Management Act, 56 of 2003, s 16 (1-3), the mayor of the municipality must table the Draft Budget at the council meeting at least 90 days before the start of the budget year for consultation and at least 30 days before the start of the budget year table the municipality's Final Annual Budget.

It is against this legal background that the Annual Budget for Ratlou Local Municipality is hereby presented to Council. This will assist the municipality to manage all its activities effectively and diligently in the implementation of the budget and financial reforms.

This annual budget has been prepared in terms of the following budget Circulars; 88, 89, 91, 94, 107, 108, 112, 115, 123 including the newly release circular 128 of the MFMA taking into consideration:

- Version 6.8 which is mSCOA compliant for both historical years and MTRRF.
- the wages increase, revised rates and tariffs, and other charges for 2024/2025 budgets and MTRRF's.
- other input costs of services provided by the municipality to ensure financial sustainability, local socio-economic conditions and the affordability of services,
- the municipality's indigent policy and the current economic conditions.

Get Leppo 24/05/2024

The 2024-2025 Annual Budget for Ration Local Municipality consist of the Total Budget of R 308 357 111 with Total Operating Budget of R 257 525 361 and Total Capital Budget of R 50 831 750.

OPERATING AND CAPITAL BUDGET OF THE MUNICIPALITY

The table below illustrates the Operating and the Capital Budget per department

ANNUAL BUDGET 2024-2025					
DEPARTMENTS	SALARIES	GENERAL EXPENSE	TOTAL OPERATING EXPENSES	TOTAL CAPITAL EXPENSES	TOTAL EXPENSES
MAYOR	17 989 600	5 876 600	23 866 200	500 000	24 366 200
SPEAKER	14 413 600	4 954 600	19 368 200	100 000	19 468 200
MUNICIPAL MANAGER	8 551 300	5 556 800	14 108 100	1 150 000	15 258 100
BUDGET AND TREASURY OFFICE	13 660 200	64 927 300	78 587 500	260 000	78 847 500
CORPORATE SERVICES	18 479 500	28 732 621	47 212 121	2 710 000	49 922 121
LIBRARY	9 664 400	1 667 600	11 332 000	326 000	11 658 000
COMMUNITY SERVICE	17 274 000	2 518 800	19 792 800	2 350 000	22 142 800
TECHNICAL SERVICES	12 155 600	21 384 400	33 540 000	43 385 750	76 925 750
TOWN PLANNING	4 052 000	5 666 440	9 718 440	50 000	9 768 440
TOTALS	116 240 200	141 285 161	257 525 361	50 831 750	308 357 111

The total capital budget above will be used to procure computer equipments, furniture and fittings, office equipments, Makgobistad transfer station, vehicles, workshop and stores and refurbishment of a road as funded from internally generated funds.

G.R. LEPO 24/05/24

OPERATING AND CAPITAL REVENUE OF THE MUNICIPALITY

The table below illustrates the sources of funding to the expenditure table above on various departments of the municipality.

NO	DEPARTMENT	2024-2025 AMOUNT	SOURCE OF FUNDING/REVENUE
1	Office of the Mayor	23 958 700	Equitable Share
		320 000	Telecentre Tuition fees
2	Office of the Speaker	19 468 200	Equitable Share
3	Office of the Accounting Officer	15 258 100	Equitable Share
4	Budget and Treasury Office	4 019 898	Equitable Share
		28 783 098	Property Rates
		497 640	Licenses and Permits
		3 000 000	FMG
5	Planning & development Economic/ Technical Service	2 471 301	Equitable Share
		2 526 722	Rental of facilities
		609 098	Service charges
		43 985 000	MIG
6	Planning & development/ Town planning	10 069 000	Equitable Share
		1 589 000	EPWP Grant
7	Library Services	20 257 800	Equitable Share
		1 760 000	Library Grant
8	Corporate Services	65 236 521	Equitable Share
		11 189 229	Interest earned on investment
9	Community Services	8 079 480	Equitable Share
		1 395 308	Agency services
		293 652	Traffic fines
	TOTAL REVENUE	264 767 747	

The municipality is allocated a total Equitable Share of R 168 819 000 for the financial year 2024-25 as gazetted in DORA.

Get Report 24/05/24

MUNICIPAL INFRASTRUCTURE GRANT

The municipality will be funding the below listed projects through MIG as gazetted in DORA.

WARD	PROJECT NAME	2024/2025 FY
1	Construction of internal access roads in Mabule & Mathateng Ward 01 (Multi-year)	R 4 169 420,86
4	Construction of Logageng Sports Facility - Ring Fenced Funds from Sports Ward 04 (Multi-year)	R 10 000 000,00
2	Construction of Internal access roads in Makgobistad Ward 02 (Multi-year)	R 10 155 650,52
5	Setlagole - Fencing of Cemeteries and Installation of VIP Toilets Ward 05	R 250 000,00
6	Supply, Delivery and Installation of 10 High-mast lights in Ward 06 (Multi-year)	R 2 615 339,79
7	Construction of Internal access Roads in Madibogopan & Dlolwane Ward 07 (Multi-year)	R 10 520 338,83
9	Construction of Gareng Community Hall Phase 02 Ward 09 - Completion of works	R 1 200 000,00
13	Construction of a 2,5km Internal Access Road in Ward 13 - (Multi-year project)	R 2 875 000,00
-	PMU Administration	R 2 199 250,00
-	Total	R 43 985 000,00
	2025/2026 Financial Year	
WARD	PROJECT NAME	2025/2026
2	Construction of Internal access roads in Makgobistad Ward 02 (Multi-year)	R 2 000 000,00
6	Supply, Delivery and Installation of 10 High-mast lights in Ward 06 (Multi-year)	R 3 000 000,00
7	Construction of Internal access Roads in Madibogopan & Dlolwane Ward 07 (Multi-year)	R 3 000 000,00
8	Construction of an internal paved road in Ward 08 - Phase 01 (Multiyear project)	R 6 425 475,00
11	Rehabilitation of existing Sports complex in Ward 11 - Phase 01 (Multiyear project)	R 4 600 000,00
10	Upgrading of an existing Sports Complex in Ward 10 - Phase 02 (Multiyear project)	R 3 800 000,00
13	Construction of a 2,5km Internal Access Road in Ward 13 (Multi-year)	R 5 875 000,00
14	Construction of a 2km internal paved road in Ward 14 - Phase 01 (Multiyear project)	R 5 025 475,00

G.C. LEPOO 24/05/24

Roads, Sports facilities, High mast light, Community Hall, and fencing of cemeteries will be procured for the financial year 2024 – 2025 and will be MIG funded.

The municipality is allocated R 41 785 750 for the 2024 -2025 financial year to provide services to the community through MIG.

The municipality have also made a provision of R 1000 000 for Kraaipan road which will be funded from the internally generated funds as part of capital budget including procurement of workshop and stores for materials to be used by technical department on maintenance.

List of Budget policies to be approved together with the Annual Budget are as follows:

- Approval of budget policy
- Funding and Reserve Policy
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Indigent Support Policy

WARD	PROJECT NAME	2026/2027 FY	2026/2027
-	TOTAL	R 35 501 000,00	
-	PMU ADMINISTRATION	R 1 775 050,00	
3	Construction of multi-purpose center Ward 03	R 7 400 000,00	
4	Supply, delivery and installation of High Mast Lights in Ward 04	R 4 500 000,00	
5	Supply, delivery and installation of High Mast Lights in Ward 05	R 9 831 375,00	
8	Construction of an internal paved road in Ward 08 - Phase 02 (Multiyear project)	R 3 074 525,00	
10	Construction of an internal paved road in Ward 10	R 10 023 475,00	
14	Construction of a 2km internal paved road in Ward 14 - Phase 02 (Multiyear project)	R 1 581 625,00	
-	PMU ADMINISTRATION	R 1 911 000,00	
-	TOTAL	R 38 322 000,00	

Let Leppo 24/05/24

- Asset Policy
- Virement Policy
- Provision for Bad Debt Policy
- Tariff Policy
- Rates Policy
- Supply Chain Management Policy

Resolved:

- (a) That Council adopt the 2024/2025 Annual Budget & Budget related policies.
- (b) That the approved budget be sent to Provincial and National treasury including other stakeholders.

Resolution No. 40/2024
 Signed by Speaker: *G.K. Leepo*
 Cllr GK Leepo

24 May 2024
 Date: *20/05/2024*