



**MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY**

**[27 MAART / MARCH 2025]**

**SPESIALE RAADSVERGADERING /**  
**SPECIAL COUNCIL MEETING**

**NOTULE / MINUTES**

**27 MAART / MARCH 2025**

**MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY**

**SPEZIALE RAADSVERGADERING /**  
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[5/1/1-2025/2026; 5/1/1-2026/2027; 5/1/1-2027/2028]

**H.      VERDAGING /  
ADJOURNMENT**

# **THEEWATERSKLOOF MUNISIPALITEIT/ MUNICIPALITY**

NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OP 27 MAART 2025 OM 10:00 IN DIE RAADSAAL, MUNISIPALE KANTORE, CALEDON.

MINUTES OF A SPECIAL COUNCIL MEETING HELD ON 27 MARCH 2025 AT 10:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON.

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## **A. OPENING EN VERWELKOMING**

Die Voorsitter, Speaker Raadslid WH Wells, verwelkom almal teenwoordig en open die vergadering met gebed.

### **OPENING AND WELCOME**

The Chairperson, Speaker Councillor WH Wells, welcomed all present and opened the meeting with a prayer.

## **B. VERKIESING VAN WNDE SPEAKER (INDIEN NODIG)/ ELECTION OF ACTING SPEAKER (IF NECESSARY)**

Nie van toepassing nie / Not applicable.

## **C. BYWONINGSREGISTER/ATTENDANCE REGISTER**

### **C.1 Teenwoordig/Present Raadslede/Councillors**

Raadsheer/Alderman LM de Bruyn  
Raadsheer/Alderman CC Clayton  
Raadslid/Councillor WH Wells  
Raadsheer/Alderman DA Appel  
Raadslid/Councillor CA Benjamin  
Raadslid/Councillor M Botes  
Raadslid/Councillor CT Cloete  
Raadsheer/Alderman S Fredericks  
Raadslid/Councillor DA Jacobs  
Raadslid/Councillor D Jooste  
Raadslid/Councillor H Linnerts  
Raadslid/Councillor JD Lekhori  
Raadslid/Councillor TP Lemina  
Raadslid/Councillor RL Mienies  
Raadsheer/Alderman BB Mkhwibiso  
Raadslid/Councillor M Mpambani  
Raadslid/Councillor MA Nomkoko  
Raadsheer/Alderman MR Nongxaza  
Raadslid/Councillor V Papier  
Raadsheer/Alderman M Plato-Mentoor

Raadslid/Councillor MS Shale  
 Raadslid/Councillor J Smit  
 Raadslid/Councillor PJ Stander  
 Raadslid/Councillor H Syster  
 Raadslid/Councillor YM van Tonder  
 Raadslid/Councillor TB Zimmermann

**Amptenare / Officials**

Mnr./Mr W Henricks	(Wnde Munisipale Bestuurder) (Acting Municipal Manager)
Mnr./Mr GW Hermanus	(Direkteur: Korporatiewe Dienste) (Director: Corporate Services)
Mnr./Mr P Mabhena	(Direkteur: Finansies) (Director: Finance)
Mnr./Mr WSE Solomons-Johannes	(Direkteur: Gemeenskapsdienste) (Director: Community Services)
Mnr./Mr N Kayser	(Namens Wnde Direkteur: Tegniese- en Infrastruktuur Implementeringsdienste) (On behalf of the Acting Director: Technical- and Infrastructure Implementation Services)
Mnr./Mr A Opperman	(Hoof Uitvoerende Ouditeur) (Chief Audit Executive)
Me./Ms T Michel	(Wnde Kommunikasie beampte) (Acting Communication Officer)
Me./Ms M Faul	(Bestuurder: Korporatiewe Dienste) (Manager: Corporate Services)
Me./Ms. F Ngxowa	(Assistent Vertaler) (Assistant Translator)
Me./Ms S Baron	(Sekretariaatdienste) (Secretariat Services)

**C.2 Aansoek(e) om verlof tot afwesigheid:**  
**Application(s) for leave of absence:**

Raadslid / Councillor M Gana

Siekverlof / Sick leave

**D. VERKLARINGS EN MEDEDELINGS DEUR DIE SPEAKER / STATEMENTS AND COMMUNICATIONS BY THE SPEAKER**

Geen / None

**E. VERKLARINGS EN MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR**

Geen / None

- F. VERSLAE VOORGELê DEUR DIE KANTOOR VAN DIE MUNISIPALE  
BESTUURDER / REPORTS PRESENTED BY THE OFFICE OF THE  
MUNICIPAL MANAGER

## **ITEM HEADING**

### **SC01/2025 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: REVISED 2024/25 SDBIP**

*[English version of the report is the original]*

## **FILE NUMBER**

5/1/3

## **PURPOSE/AIM OF REPORT**

The aim of the report is to ensure compliance with the performance regulations and to review the 2024/25 SDBIP in line with the adjustment budget of council.

## **BACKGROUND**

Section 1 of the MFMF defines the SDBIP as:

*“a detailed plan approved by the Mayor of the municipality in terms of section 53 (1) (c) (ii) for implementing the municipalities delivery of services and the execution of its annual budget and which must include the following:*

*(a) projections for each month of-*

- (i) revenue to be collected, by source; and*
- (ii) operational and capital expenditure, by vote.*

*(b) Service delivery targets and performance indicators for each quarter”.*

In terms of section 54 (c) of the MFMA, the Mayor of a municipality must: interiliac-consider and if necessary, make any revisions to the service delivery and budget implementation plan, if revisions to the service delivery targets and performance indicators in the plan may only be made with approval of the council following approval of an adjustment budget.

The First adjustment budget for 2024/25 served before Council on 22 August 2024, second one on the 28 November 2024, third one 23<sup>rd</sup> January 2025 and the 4<sup>th</sup> one on 25<sup>th</sup> February 2025. The SDBIP is revised due to the proposed adjustment budgets as mentioned for 2024/25 The adjusted service delivery indicators is an attached document: Revised SDBIP for 2024/25. Explanations for Changes is contained in the comment's column.

## **DISCUSSION**

The SDBIP serves as a “contract” between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration in the applicable financial year. It provides the link between the mayor, the council (executive) and the administration, and facilitates the process for holding management accountable for its performance.

It is therefore a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community to monitor the municipality's performance on a quarterly basis. The SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the implementation of the budget, the execution of projects, the performance of senior management and the achievement of the strategic objectives set by council.

The elements that necessitated the revision of the SDBIP were:

- The changes in the adjustment budget.
- Various Internal Audit Findings.
- Recommendations of the Auditor-General in the 2023/24 Audit Report.

The process for the revisions was as follows:

An email was circulated to the respective Directors and Deputy Directors to ensure consistency with planned objectives, indicators and targets and also to ensure that the KPI's and targets followed the SMART principles (specific, measurable, reliable and time bound). All departments was requested to review their KPI's and submit request for changes to the office of the municipal manager

#### **FINANCIAL IMPLICATIONS**

Not applicable

#### **LEGAL RESPONSIBILITIES**

The Municipal Finance Management Act No. 56 of 2003 (MFMA) and National Treasury MFMA Circular No. 13.

Section 54(1)(c) of MFMA.

#### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Not applicable

#### **RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

It is recommended:

1. That council approves the 2024/25 Revised SDBIP as per the attached Report.
2. All KPI's that is being amended, added or deleted has been highlighted on the attached report and motivation provided.
3. That for all KPI's the previous year performance achievements be used as the baseline for current year KPI's and targets.



4. That Council notes the revised SDBIP will have a significant impact on the performance contracts of S56/57 managers. Indicators will have to be removed, adjusted and or amended in accordance with the revised SDBIP.

**RESOLVED BY COUNCIL: 27 MARCH 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman MR Nongxaza and seconded by Alderman BB Mkhwibiso, it was resolved as follows:

1. Council approves the 2024/25 Revised SDBIP as per the attached report.
2. All KPI's that is being amended, added or deleted has been highlighted on the attached report and motivation provided.
3. That for all KPI's the previous year performance achievements be used as the baseline for current year KPI's and targets.
4. Council noted the revised SDBIP will have a significant impact on the performance contracts of S56/57 managers. Indicators will have to be removed, adjusted and or amended in accordance with the revised SDBIP

*For finalization by the Manager: IDP, Mr. V Arendse.*

**ITEM HEADING**

**SC02/2025      OFFICE OF MUNICIPAL MANAGER: STRATEGIC SUPPORT  
AND IDP: REVIEW OF THE 2022-2027 FIVE YEAR INTEGRATED  
DEVELOPMENT PLAN**

*[English version of the report is the original]*

**FILE NUMBER**

15/1/5/1

**PURPOSE / AIM OF REPORT**

The purpose of this report is to obtain council approval that the 2022/2027 IDP has been reviewed, remains relevant and council is satisfied with the strategic direction as contained in the IDP. Council further remains committed to the strategic objectives as listed in the 2022/2027 IDP.

**BACKGROUND**

Section 34 of the Municipal Systems Act: **Annual review and Amendment of the Integrated Development Plan**, reads as follows:

A municipal council-

- (a) must review its integrated development plan-
  - (i) Annually in accordance with an assessment of its performance measures in terms of sec 41; and
  - (ii) To the extent that changing circumstances so demand; and
- (b) may amend its integrated development plan in accordance with a prescribed process.

**The Annual Performance Report and Annual Report should serve as the mechanism that satisfies sub regulation (i)**

**During recent engagements with provincial treasury a new view was taken on a “reviewed IDP”. This will be further addressed under discussion.**

Regulation 3 of Local Government: Municipal Planning and Performance Management Regulations of 2001 states:

- 3.(1) Only a member or committee of a municipal council may introduce a proposal for amending the municipality’s integrated development plan in the council.**
- (2) Any process for amending a municipality’s integrated development plan must be-**

- (a) **accompanied by a memorandum setting out the reasons for the proposal; and**
  - (b) **aligned with the framework adopted in terms of section 27 of the Act.**
- (3) An amendment to a municipal's integrated development plan is adopted by a decision taken by a municipal council in accordance with the rules and orders of the council.
- (4) No amendment to a municipality's integrated development plan may be adopted by a municipal council unless-
  - (a) all the members of the council have been given reasonable notice;
  - (b) the proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regards to the proposed amendment;
  - (c) the municipality if it is a district municipality has complied with sub-regulation (5); and
  - (d) the municipality; if it is a local municipality; has complied with sub-regulation 6
- (5) A district municipality that considers an amendment to its integrated development plan must-
  - (a) consult all the local municipalities in the area of the district municipality on the proposed amendment; and
  - (b) take all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment.
- (6) A local municipality that considers an amendment to its integrated development plan must-
  - (a) consult the district municipality in whose area it falls on the proposed amendment; and
  - (b) take all comments submitted to it by the district municipality into account before it takes a final decision on the proposed amendment.

## **DISCUSSION**

### **Aspects to consider as part of the IDP review process – Status quo**

The current planning legislation does not set out the steps to be followed in conducting the review of an IDP other than determining what must inform such a review. Municipalities have therefore followed varied approaches to conducting their reviews and often this has led to the adoption of a "Reviewed IDP".

The revised IDP Guidelines issued by the Department of Cooperative Governance in 2020 started to unpack what a review entails. It states that on an annual basis municipalities are required to review how they have performed against the pre-determined objectives outlined in the IDP.

Whilst the MSA requires a municipality to consider changing circumstances, the 2020 revised Guidelines do not elaborate on the issue other than referring to key questions to be considered when reviewing an IDP, significant changes in relation to budget availability, the spatial layout of an area and changes that impact on projects, programmes or the livelihood of communities.

The proposed 2021 amendments to the MSA Regulations provide that:

- An IDP Review
  - must be done by the council;
  - take place before the deadline set by the mayor in terms of section 21(1)(a)(i) of the Municipal Finance Management Act, 2003 (MFMA); and
  - allow sufficient time for the participation of the local community in the review of the IDP.

The proposed amendments also state that the review process must consider any changed circumstances including changes to national, provincial and local priorities; new or updated policies or events that may necessitate the amendment of an IDP.

### **Aspects to consider as part of the IDP review process – Guidance**

As part of the review, municipalities must therefore assess the progress made in the implementation of their IDPs against the performance targets set out in the IDPs and their top layer Service Delivery and Budget Implementation Plan and identify any areas of concern where implementation is lacking based on the assessment. Further-more, municipalities must consider whether the identified areas of concern are material to impact the strategic direction of a municipality and therefore may require an amendment.

Possible changed circumstances:

- Changes in population demographics.
- Changes in economic conditions.
- Changes in land use patterns.
- Natural disasters.
- Changes in government priorities, policies or laws.
- Changes in funding or resources.

### **Outcome of the review process – Status quo**

The practice to date has entailed the tabling and adoption of a “Reviewed IDP” as the outcome of the IDP review process, notwithstanding that there is no such provision in the MSA.

The MSA only provides for:

In the beginning of a new terms of office of a municipal council

- the adoption of a **5-year IDP**; or
- the adoption of the **predecessors IDP**, with or without amendment;

In the inner-years of the 5-year planning cycle.

- the adoption of an **amended IDP** following an IDP review.

**Adjusted IDP** (section 32(2) and (3) of the MSA.

### **Outcome of the review process – Guidance**

The 2020 revised Guidelines provide that a report to the council which should indicate areas in which the IDP needs to be amended (if the review outcome is that an amendment is required), should ideally be tabled when the annual report is tabled i.e., January. However, municipalities in the Western Cape, have indicated a preference to submit such a report at the time of tabling the draft IDP.

In summary, the outcome of the annual review of an IDP is not the tabling and adoption of a “Reviewed IDP”, but a report to a municipal council documenting the out-come of the review (having considered the performance of the municipality and considering any changed circumstances) with a recommendation whether the IDP is to be amended or not. Based on the report, it then remains the prerogative of a municipal council to decide whether the IDP should be amended.

The beforementioned report, ideally should be the annual report, that council adopted on 20/03/2025.

### **Whether to amend an IDP or not – Status Quo**

Given the void in legislation regarding IDP amendment, there has been differing interpretations of what constitutes an IDP amendment. These interpretations include:

- Any changes to an adopted IDP following an IDP review irrespective of their minuteness, constitutes an amendment that necessitates that the prescribed IDP amendment process outlined in the MSA Regulations be followed.
- Only changes to the strategic objectives or the overall strategic direction as set out in an IDP constitute an amendment.
- Only significant changes to an IDP warrant an amendment.

The 2020 revised Guidelines state that minor changes do not warrant an IDP amendment and that only significant changes should result in the amendment of an IDP. Furthermore, the 2020 Guidelines state that IDP amendments should only be required under exceptional circumstances and should not be done without significant justification. There is no indication in the 2020 Guidelines what constitutes significant changes in budgetary implications in terms of allocations and projections.

### **Whether to amend an IDP or not – Guidance**

An IDP review and the documented outcome thereof is the main determinant when deciding whether to amend an IDP and not the differing interpretations of what constitutes an amendment as alluded to above. Whilst the legislation does not make provision for what constitutes an IDP amendment, it is the prerogative of a municipal council to decide whether it wants to amend its IDP. .

## **Guideline – Summary**

In summary, whilst it is the prerogative of a municipal council to decide whether to amend its IDP, such a decision must be informed by an assessment of its performance against the pre-determined objectives outlined in the IDP and an assessment of any changed circumstances.

If the assessment of the performance of the municipality indicates that it is on track to meet its strategic objectives and there are no changed circumstances to consider, there might be no need to amend the IDP. However, if such assessment reflects otherwise, the municipal council might have to re-evaluate its strategy, and if in the view that an IDP amendment is required, then the prescribed amendment process is outlined in the MSA Regulations must be followed.

### **TWK status of TWK IDP**

It is common cause that the municipality has made little progress in terms of implementing, the goals strategies and targets set out in the IDP. The municipality is currently also facing significant financial challenges that further hamper the implementation of the IDP.

The municipality did experience political and administrative uncertainty which impacted the municipality's ability to determine a direction for the IDP. It is now impractical to amend the IDP with the 2025/2026 Budget.

It should be noted that the municipality is in process of reviewing, amending and introducing the following that would necessitate an amendment to IDP:

Organizational structure

Spatial development framework

Financial Recovery Plan

The above mentioned, will significantly impact the overall strategy of council and a comprehensive public participation will have to be followed to consult the community on the impact thereof.

It is thus recommended that council at this point adopt the current IDP without amendments, however mandates the administration to start an amendment process (in-year amendment) and follow all legislative processes to ensure that the IDP is aligned and reflect the current status and plans for the municipality.

### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

Not applicable.

### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 25, 34, 35 of the Municipal Systems Act

### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

Not applicable.

**RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

**It is recommended:**

- 1. That Council notes that the interpretation of the current legislation does not have a reviewed IDP as an end result.**
- 2. That Council notes that the only outcomes of a review is either remaining with the current IDP or an amended IDP.**
- 3. That Council approves that after reviewing the IDP, the current IDP remains relevant and in place.**
- 4. That Council notes that the SDF is in process of being amended and amending the SDF will trigger an amendment to the IDP, further reinforcing the position, to not amend at this stage as the amendment process will have to be followed once SDF is amended, this would duplicate the process.**
- 5. That Council notes that the municipality is reviewing its organizational structure that could also lead to a possible amendment, once again could be a duplication should the IDP be amended now.**
- 6. The compilation of the financial recovery plan will lead to an amendment and duplication of the process.**
- 7. That Council commits to its strategic vision and objectives as contained in the IDP and remains confident that progress is being made in achieving these objectives.**
- 8. That Council notes that the above mentioned process and direction has already been workshopped with Provincial Treasury who in turn will workshop with Municipal Managers and Mayors.**
- 9. That Council mandates the administration to embark on a in-year amendment process to ensure alignment of the IDP with current situation and future strategies.**
- 10. That Council mandates all departments to review their strategies as contained in the IDP and amend if and where required.**

**RESOLVED BY COUNCIL: 27 MARCH 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman S Fredericks, it was resolved as follows:

1. Council noted that the interpretation of the current legislation does not have a reviewed IDP as an end result.
2. Council noted that the only outcomes of a review is either remaining with the current IDP or an amended IDP.
3. Council approves that after reviewing the IDP, the current IDP remains relevant and in place.
4. Council noted that the SDF is in process of being amended and amending the SDF will trigger an amendment to the IDP, further reinforcing the position, to not amend at this stage as the amendment process will have to be followed once SDF is amended, this would duplicate the process.
5. Council noted that the municipality is reviewing its organizational structure that could also lead to a possible amendment, once again could be a duplication should the IDP be amended now.
6. The compilation of the financial recovery plan will lead to an amendment and duplication of the process.
7. Council is committed to its strategic vision and objectives as contained in the IDP and remains confident that progress is being made in achieving these objectives.
8. Council noted that the above mentioned process and direction has already been workshopped with Provincial Treasury who in turn will workshop with Municipal Managers and Mayors.
9. Council mandates the administration to embark on an in-year amendment process to ensure alignment of the IDP with current situation and future strategies.
10. Council mandates all departments to review their strategies as contained in the IDP and amend if and where required.

*For finalization by the Manager: IDP, Mr. V Arendse.*



## **DRAFT BUDGET SPEECH BY THE EXECUTIVE MAYOR OF THEEWATERSKLOOF MUNICIPALITY ALDERMAN LINCOLN DE BRUYN**

**27 MARCH 2025**

Honourable Speaker, Members of Council, Officials, Community Members, and Stakeholders,

Today, I stand before you to present the draft budget for the 2025/26 financial year—a budget that reflects both the immense challenges we face and the determination with which we are confronting them.

We do not shy away from the reality that this has been one of the most difficult budget preparation cycles in recent memory.

Our municipality has faced significant financial strain, but we are resolute in our commitment to turning this ship around.

We have embarked on a turnaround strategy that prioritises financial viability, good governance, institutional development, basic service delivery, and local economic development—all in line with our Integrated Development Plan (IDP).

The foundation of this budget is a return to getting the basics right so that we can once again deliver the quality services our residents expect and deserve.

### ***A Balancing Act in Difficult Times***

The difficult financial position of the municipality required us to make tough but necessary decisions. To restore financial stability while continuing to provide essential services, the following tariff increases have been proposed for the 2025/26 financial year:

**Assessment Rates: 7%**

**Water: 5%**

**Sanitation (Sewer): 5%**

**Solid Waste (Refuse): 5%**

**Electricity: 12.74% (subject to NERSA's final approval)**

While we do not control electricity tariffs, we are committing ourselves, to a single figure budget increase and an increase that stays as close as possible to the inflation rate. These increases are necessary to ensure the sustainability of municipal services. However, we remain sensitive to the financial pressures of our residents, particularly our most vulnerable. Our indigent policy continues to provide relief to qualifying households, and we are actively assessing the financial impact of this policy to ensure it remains sustainable and effective.

### ***Capital Investment and Service Delivery***

Despite the financial constraints, this budget ensures that we continue to invest in infrastructure and service delivery. The capital expenditure budget for 2025/26 amounts to R87 million—a decrease of 52% compared to the 2024/25 adjustment budget. However, this figure will increase significantly to R152 million in both 2026/27 and 2027/28.

This demonstrates our commitment to long-term infrastructure investment and service delivery improvements.

Our priorities remain clear:

Improving water, sanitation, electricity, and refuse removal services to eradicate backlogs and enhance the quality of life for all residents.

Aligning our service delivery focus with National and Provincial Government priorities to ensure that every rand spent contributes to sustainable development. Fostering financial accountability and good governance to regain public trust.

### ***Revenue Growth and Long-Term Stability***

Our total operating revenue for the 2025/26 financial year is projected at R888 million, growing to R996 million by 2027/28. Revenue generated from property rates alone will amount to R173 million in 2025/26 and increase to R185 million by 2027/28—this represents 7% of our operating revenue and remains a crucial funding source.

However, revenue alone is not enough. We must ensure that every cent is managed responsibly, spent transparently, and delivers value to our communities.

Our financial turnaround is not just about balancing the books—it's about restoring credibility, stability, and trust in the municipality.

### ***A call for collaboration and public participation***

No turnaround strategy can succeed without the active involvement of our community. Public participation is not a formality—it is a necessity. I urge all residents, businesses, and stakeholders to engage in the upcoming public participation process on this draft budget. Your voices matter, and your input will help shape the final budget that is adopted.

Collaboration will be the key to success. As we work towards a municipality that is financially stable and service-driven, we must do so together—with accountability from leadership, participation from residents, and a shared vision for a better future.

Over the past 20 years the golden triangle of population size, municipal capacities, and the economy became distorted. In the 2025/2026 as well as the outer years we will redefine the municipal role in economic growth as to broaden our income basis and to

escalate obtaining funding for service delivery. My office and I will keep you informed of this as we progress with the 2025/2026 and two outer financial years. What I am saying is that we will develop Theewaterskloof as a place that is conducive for economic growth.

In closing, this draft budget is not just a financial plan—it is a statement of intent. It is a reaffirmation of our commitment to restoring this municipality, ensuring stability, and building a future where all residents can thrive. We are on the path to recovery. The work ahead will not be easy, but together, we will succeed.

I thank you.

**Ends**

*The Executive Mayor reads his budget speech attached as annexure to the minutes.*

### **ITEM HEADING**

**SC03/2025 DIRECTORATE FINANCE: CONSIDERATION AND APPROVAL OF THE DRAFT BUDGET 2025/2026 AND INDICATIVE FOR THE PROJECTED TWO OUTER YEARS 2026/2027 AND 2027/2028**

*[English version of the report is the original]*

### **FILE NUMBER**

5/1/1-2025/2026; 5/1/1-2026/2027; 5/1/1-2027/2028

### **PURPOSE / AIM OF REPORT**

This report serves to submit to Council for consideration the MTREF for 2025/2026, proposed tariffs, and amendments to budget related policies, the IDP, Draft Service Delivery and Budget Implementation Plan as well as the Draft Service Standards.

### **BACKGROUND**

In accordance with section 16 of the Municipal Finance Management Act, No 56 of 2003 the Municipal Council must at least 90 days before the start of the budget year consider approval of the annual budget.

### **DISCUSSION**

As contained in the detail report.

### **FINANCIAL IMPLICATIONS (ITEM AUTHOR)**

As contained in the detail report.

### **LEGAL IMPLICATIONS (ITEM AUTHOR)**

Section 16 of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting Regulations.

### **RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)**

None

### **RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

It is recommended:

1. That Council resolves that the Draft Annual Operating Budget of the municipality for the financial year 2025/2026 and indicative for the two projected Outer Years 2026/2027 and 2027/2028 be approved as set out on Tables A1, A2, A3 and A4.

2. That Council resolves that the Draft Annual Capital Budget of the municipality for the financial year 2025/2026 and indicative for the two projected Outer Years 2026/2027 and 2027/2028 be approved as set out on Tables A1, A5 and SA36.
3. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2025/2026 financial year as set out on Tables A1 and A7.
4. That Council resolves to adopt the Draft Reviewed Integrated Development Plan.
5. That Council resolves to adopt the “Spatial Development Framework” as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.
6. That Council resolves that the Draft Tariff Charges are approved for the Financial Year 2025/2026. (Annexure A). Council takes cognizance of the Cost of Supply Study that is still in drafting process but will form part of the Final Budget submission.
7. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70KwH Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
8. That it be noted that “Unfunded Functions” and “Underfunded Functions” are fully budgeted for at present service levels and in respect of Housing.
9. That note is taken that Internal Division of Costs(Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.
10. All Budget related Policies was reviewed and that Council resolves to adopt the following Amendments to the Policies as per Annexure B
  - Borrowing Policy
  - Creditor Policy
  - Property Rates
  - Indigent Policy
  - Write-Off Policy
11. That Council resolves that the Draft Procurement Plan are approved for the Financial Year 2025/2026. (Annexure C).

12. That Council resolves that the Draft Long Term Financial Plan are approved for the Financial Year 2025/2026. (Annexure D).
13. That Council resolves that the Budget Funding Plan are approved for the Financial Year 2025/2026. (Annexure E).
14. That Council takes cognizance of the circulars received from Treasury (Annexure F).

**RESOLVED BY COUNCIL: 27 MARCH 2025**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman S Fredericks and seconded by Alderman LM de Bruyn, it was resolved as follows:

1. Council approved the Draft Annual Operating Budget of the municipality for the financial year 2025/2026 and indicative for the two projected Outer Years 2026/2027 and 2027/2028 as set out on Tables A1, A2, A3 and A4.
2. Council approved the Draft Annual Capital Budget of the municipality for the financial year 2025/2026 and indicative for the two projected Outer Years 2026/2027 and 2027/2028 as set out on Tables A1, A5 and SA36.
3. Council approved the Monthly Cash Flow Forecasts with appropriate amendments as the Cash Flow Budget of the Council for the 2025/2026 financial year as set out on Tables A1 and A7.
4. Council adopted the Draft Reviewed Integrated Development Plan.
5. Council adopted the “Spatial Development Framework” as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.
6. Council approved the Draft Tariff Charges for the Financial Year 2025/2026. (Annexure A). Council takes cognizance of the Cost of Supply Study that is still in drafting process but will form part of the Final Budget submission.
7. Council approved the Final Monthly Indigent Subsidy in respect of 6kl Water, 70KwH Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) and the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
8. Council noted that “Unfunded Functions” and “Underfunded Functions” are fully budgeted for at present service levels and in respect of Housing.
9. Council noted that Internal Division of Costs (Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.

10. All Budget related Policies was reviewed and Council adopts the following Amendments to the Policies as per Annexure B

**Borrowing Policy**

**Creditor Policy**

**Property Rates**

**Indigent Policy**

**Write-Off Policy**

11. Council approved the Draft Procurement Plan for the Financial Year 2025/2026. (Annexure C).
12. Council approved the Draft Long Term Financial Plan for the Financial Year 2025/2026. (Annexure D).
13. Council approved the Budget Funding Plan for the Financial Year 2025/2026. (Annexure E).
14. Council takes cognizance of the circulars received from Treasury (Annexure F).

*For finalization by the Director: Finance, Mr. P Mabhena.*

**G. VERDAGING / ADJOURNMENT**

Die vergadering verdaag om 10:41.  
The meeting adjourned at 10:41.

NOTULE BEKRAGTIG OP DIE ..... DAG VAN  
..... AS PRIMA FACIE BEWYS VAN DIE  
JUISTHEID DAARVAN.

MINUTES CONFIRMED ON THE ..... DAY OF  
..... AS PRIMA FACIE EVIDENCE OF  
IT'S CORRECTNESS.

.....  
SPEAKER

.....  
DATUM/DATE


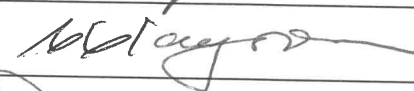








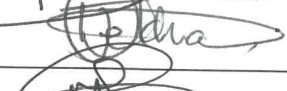


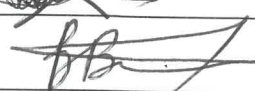
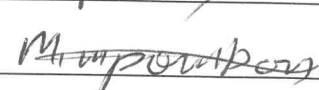

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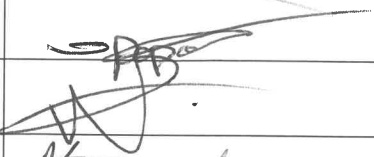




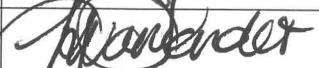


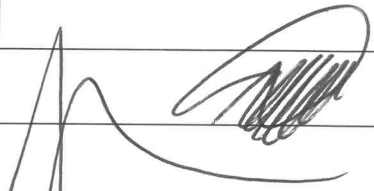



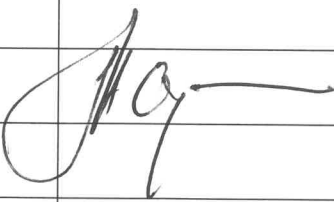
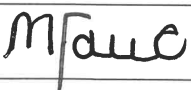
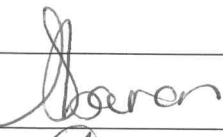
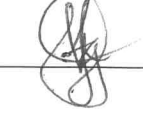
  
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SEKRETARIAATDIENSTE  
SECRETARIAT SERVICES



**SPESIALE RAADSVERGADERING**  
**SPECIAL COUNCIL MEETING**

**27 MAART / MARCH 2025**

NAAM EN VAN / NAME AND SURNAME	HANDTEKENING / SIGNATURE
<b><u>Raadslede / Councillors :</u></b>	
Raadsheer/Alderman LM de Bruyn	
Raadsheer/Alderman CC Clayton	
Raadslid/Councillor WH Wells	
Raadsheer/Alderman DA Appel	
Raadslid/Councillor CA Benjamin	
Raadslid/Councillor M Botes	
Raadslid/Councillor CT Cloete	
Raadsheer/Alderman S Fredericks	
Raadslid/Councillor M Gana	
Raadslid/Councillor DA Jacobs	Sick leave
Raadslid/Councillor D Jooste	
Raadslid/Councillor H Linnerts	
Raadslid/Councillor JD Lekhori	
Raadslid/Councillor TP Lemina	
Raadslid/Councillor RL Mienies	 R. Mienies
Raadsheer/Alderman BB Mkhwibiso	
Raadslid/Councillor M Mpambani	
Raadslid/Councillor MA Nomkoko	

Raadsheer/Alderman MR Nongxaza	
Raadslid/Councillor V Papier	
Raadsheer/Alderman M Plato-Mentoor	
Raadslid/Councillor MS Shale	
Raadslid/Councillor J Smit	
Raadslid/Councillor PJ Stander	
Raadslid/Councillor H Syster	
Raadslid/Councillor YM van Tonder	
Raadslid/Councillor TB Zimmermann	
<b><u>Amptenare/Officials:</u></b>	
Mnr/Mr W Hendricks	
Mnr/Mr GW Hermanus	
Mnr/Mr P Mabhena	
Mnr./Mr WSE Solomons-Johannes	
Mnr / Mr H Marthinus	
Mnr./Mr E Shortles	
Mnr./Mr A Opperman	
Mnr/Mr H Gxoyiya	
Mnr./Mr V Arendse	
Me./Ms M Faul	
Me./Ms L Kilowan	
Me./Ms S Baron	
Me./Ms F Ngxowa	

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