



MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[28 MEI / MAY 2026]

SPEZIALE RAADSVERGADERING /
SPECIAL COUNCIL MEETING

NOTULE / MINUTES

28 MEI / MAY 2026

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THEEWATERSKLOOF MUNISIPALITEIT/ MUNICIPALITY

**NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OP 28 MEI 2026
OM 11:00 IN DIE RAADSAAL MUNISIPALE KANTORE, CALEDON.**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON 28 MAY 2026 AT 11:00
IN THE COUNCIL CHAMBERS MUNICIPAL OFFICES, CALEDON.**

A. OPENING EN VERWELKOMING

Die Voorsitter, Speaker W.H. Wells, verwelkom almal teenwoordig en open die vergadering met gebed.

OPENING AND WELCOME

The Chairperson, Speaker W.H. Wells, welcomes everyone 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 CC Clayton
Raadsheer/Alderman 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
Raadslid/Councillor D Jooste
Raadslid/Councillor H Linnerts
Raadslid/Councillor JD Lekhori
Raadslid/Councillor TP Lemina
Raadsheer/Alderman BB Mkhwibiso
Raadslid/Councillor M Mpambani
Raadslid/Councillor MA Nomkoko
Raadsheer/Alderman MR Nongxaza
Raadslid/Councillor FO Ntantiso
Raadslid/Councillor V Papier
Raadsheer/Alderman M Plato-Mentoor

Raadslid/Councillor MS Shale
 Raadslid/Councillor J Smit
 Raadslid/Councillor C Smith
 Raadslid/Councillor P Stander
 Raadslid/Councillor YM van Tonder
 Raadslid/Councillor TB Zimmermann

Amptenare / Officials

Mnr./Mr GW Hermanus	(Wnde Munisipale Bestuurder) (Acting Municipal Manager)
Me./Ms N Baliso	(Direkteur: Ekonomiese Ontwikkeling en Beplanning) (Director: Economic Development and Planning)
Mnr./Mr WSE Solomons-Johannes	(Direkteur: Gemeenskapsdienste) (Director: Community Services)
Mnr./Mr A Riddles	(Wnde Direkteur: Finansies) (Acting Director: Finance)
Mnr./Mr H Matthee	(Direkteur: Tegnyiese en Infrastruktuur Implementeringsdienste) (Director: Technical- and Infrastructure Implementation Services)
Mnr./Mr E Albertus	(Arbeidsverhoudinge Beampte en Regsdienste) (Labour Relations Officer and Legal Services)
Me./Ms M Faul	(Bestuurder: Korporatiewe Dienste) (Manager: Corporate Services)
Me./Ms. F Ngxowa	(Assistent Vertaler) (Assistant Translator)
Mnr./Mr. R de Lange	(Tydelike aanstelling in die Kantoor van die Munisipale Bestuurder) (Temporary appointment in the Office of the Municipal Manager)
Me/Ms L Kilowan	(Senior Admin Beampte: Raadslidondersteuning) (Senior Admin Officer: Councillor Support)
Me./Ms T Michel	(Kommunikasiebeampte) (Communications Officer)
Me./Ms D Pheiffer	(Tydelike aanstelling – Intern) (Temporary appointment – Intern)
Me./Ms L Absolom	(Tydelike aanstelling – GOP) (Temporary appointment – IDP)

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

Rdsh/Aldm LM de Bruyn Siekverlof / Sick leave

Afwesig sonder verskoning
Absent without an apology

Geen / None

- D. VERSLAE VOORGELê DEUR KANTOOR VAN DIE MUNISIPALE
BESTUURDER
REPORTS SUBMITTED BY OFFICE OF THE MUNICIPAL MANAGER

ITEM TITLE

SC04/2026 OFFICE OF MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: ADOPTION OF FINAL REVIEW AND AMENDMENT 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 and amended, taking the approval and implementation of the Financial Recovery Plan (FRP) and the approval of the Spatial Development Framework (SDF) into consideration. Council is satisfied with the strategic direction as contained in the 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. Furthermore, 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 term 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 20/03/2024.

Whether to amend an IDP or not – Status Quo

Given the void in legislation regarding IDP amendment, there have 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 constitute 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 made 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.

It is also important for Council to note that the following process has been followed in terms of the Final Review and Amendment of the 2022/2027 IDP:

1. Public Participation process – 18 November to 2 December 2025
2. Tabled Draft amendments to council – 31 March 2026: Council Resolution SC01/2026
3. The proposed amendments were published for public comment for a period of at least 28 days. No public comments were received.
4. Consulted the district municipality on the proposed amendment and no comments were received.
5. Consulted the Department of Local Government and the Department of the Premier on the proposed amendments and comments were received and has the Final Document been amended
6. The Comments received relating to the Draft Amended IDP and Draft Budget were presented to the Budget Steering Committee for consideration on 19 May 2026.

The Following reflects the Amendments to the Final IDP after Provincial Comments was received

AMENDMENTS TO THE FINAL IDP

OFFLINE PROVINCIAL COMMENTS BY MS THANDEKA MAPHALALA VIA EMAIL	MUNICIPAL RESPONSE
Draft IDP References the 2019 – 2024 Provincial Strategic Plan which has been replaced by the Provincial Strategic Plan 2025 – 2030 This should be updated to ensure alignment with current Provincial priorities	Been amended and reflects as “Provincial Strategic Plan 2025 – 2030” on Page 219 and 220 of Final Document as well as the Index Page

The Draft IDP reference to MTSF (Medium Term Spatial Framework) should be updated to reflect the Medium-Term Development Plan (2024 – 2029)

It has been updated as “Medium-Term Development Plan (2024 – 2029)” on **Page 28** of Final Document as well as the Index Page

PROVINCIAL ASSESSMENT REPORT INFORMATION HAS BEEN INCLUDED AS FOLLOWS ON PAGES 90 – 92 OF FINAL DOCUMENT

“Provincial assessment of Draft IDP review and proposed amendment and draft Budget for 2026/27

The Western Cape Provincial Government annually assesses the draft IDP’s, and Budgets of municipalities and feedback is given at the Strategic Integrated Municipal Engagements assessment (SIME; previously referred to as LGMTEC) which was held on 18 May 2026. The Theewaterskloof Municipality diagnostic and summary of key Recommendations include the following:

KEY FINDING	THEEWATERSKLOOF MUNICIPAL RESPONSE
1. The Municipality experience infrastructure delivery constraints and capital underspending pressures, driven by procurement inefficiencies and contract management limitations, which have contributed to delays in infrastructure implementation and ongoing service delivery backlogs under Strategic Focus Area (SFA 4). In addition, financial sustainability under SFA 1 remains under pressure, with key financial viability indicators not achieved in 2024/25, reflecting continued liquidity constraints, revenue collection challenges and broader fiscal stress within the FRP environment. The Municipality is therefore recommended to address infrastructure delivery constraints by improving procurement turnaround times and contract management processes and ensuring timely implementation of capital projects in line with FRP milestones, particularly those linked to service delivery backlogs under SFA 4.	Capital Expenditure Framework (CEF)- Alignment with Technical Infrastructure Master Planning/ IDP/ SDF/ LTFP/ MTREF Periods over 10 years. Misalignment and execution limitations due to financial constraints is acknowledged

2. Implement targeted financial recovery interventions under SFA 1, with focus on revenue collection, liquidity management, and creditor payment performance, aligned to FRP requirements and measurable 2026/27 recovery actions.	Our Commitment is to: a. Implement targeted financial recovery interventions that directly address the root causes of underperformance b. Strengthen revenue collection mechanisms to improve cash inflows and reduce reliance on external funding. c. Enhance liquidity management practices to safeguard operational continuity and maintain adequate reserves d. Improve creditor payment performance to rebuild trust, reduce penalties and align with regulatory obligations. e. Establish measurable recovery actions for 2026/27, with clear milestones and accountability structures to track progress and demonstrate improvement.
3. Develop a structured LED recovery approach as part of the 2027 -2032 IDP, with a focus on strengthening implementation capacity, defining realistic delivery timelines aligned to FRP milestones to address the structural underperformance in SFA 5.	The Municipality recognizes the importance of reviewing and aligning the Local Economic Development (LED) Strategy with future updates of the Integrated Development Plan (IDP), and this need has already been identified internally. In fact, provision for the review was included as part of the initial budget inputs. However, the Municipality is currently facing significant financial constraints and is implementing a Financial Recovery Plan (FRP), which requires a strong focus on immediate priorities linked to financial stabilization and essential service delivery. Within this context, the review of the LED Strategy has had to be postponed as the Municipality navigates the current rescue phase. The Municipality remains committed to revisiting and updating the LED Strategy as soon as the financial situation allows. In the meantime, any external funding or technical support to assist with this process would be greatly appreciated and would enable the Municipality to move forward with the review sooner.

4.Utilize the identified performance trends as baseline conditions to inform the development of the 2027 – 2032 IDP, including strengthening the integration between planning, budgeting, and performance management, and improving the design of KPIs to ensure meaningful measurement of service delivery outcomes; and	This will be addressed and considered with the development of the 2027 – 2032 IDP
5.Address the concerns raised by sector departments outlined in section 2.1.2	The LED concern has been dealt with under Key Finding 3. The alignment of the health profile with the Overberg District Health Plan of 2026/27, will be addressed and taken into account with the development of the 2027 – 2032 IDP
6.Spatial Development: Since the MSDF will be adopted in May 2026, the municipality should initiate a formal MSDF review process, incorporating a spatial performance report as a core component of the next annual IDP review (new financial year). The Municipality should also include a dedicated MSDF performance review section in the IDP, explicitly assessing implementation progress, outcomes, gaps and whether any triggers for amending the MSDF have arisen. Theewaterskloof Municipality confirmed that an amendment of the MSDF, which includes CEF is underway and that it is intended to be adopted mid-2026 through an IDP amendment process	The department takes cognizance of the comments. The department has put measures in place to review the new SDF annually upon approval. This will be done in collaboration with DEADP: Planning

LEGAL RESPONSIBILITY

Section 25, 34, 35 of the Municipal Systems Act.

RISK MANAGEMENT IMPLICATION

Not applicable.

FINANCIAL IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

- 1. That Council approves the Final Amendments to the IDP 2022/27 in terms of Section 34 of the MSA, and which is reflected under "Discussion" of this report**
- 2. That Council notes the Memorandum setting out the reasons for the amendment and the process which was followed.**
- 3. That Council is satisfied that all legislative requirements have been met.**
- 4. That Council note that copies of the Draft Amended IDP 2022/2027 were made public in accordance with the legislative framework and guidelines.**
- 5. That Council note that copies of the Draft Amended IDP 2022/2027 were circulated to all required organs of state.**
- 6. That Council note that the draft Amended IDP 2022/2027 was advertised for public comment for period of not less than 28 days.**
- 7. That Council notes that all comments received relating to the Final Draft Amended IDP were presented to the Budget Steering Committee on 19 May 2026.**
- 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 notes that the Final Amended IDP 2022/27 will be published for Public Information**
- 10. That Council notes that the Final Amended IDP 2022/27 will be submitted to Provincial Directorate Integrated Development Planning and the Overberg District Municipality**

RESOLVED BY COUNCIL: 28 MAY 2026

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 approves the Final Amendments to the IDP 2022/27 in terms of Section 34 of the MSA, and which is reflected under “Discussion” of this report with the following addition on page 213:**

Ward 2:

- Bereaville - New pathway giving access from Church Street to Long Street with a bridge crossing over a river stream.
 - Boschmanskloof - New bridge crossing over the Scholtz River in Vlei Avenue to Protea Avenue.
2. **Council noted the Memorandum setting out the reasons for the amendment and the process which was followed.**
 3. **Council is satisfied that all legislative requirements have been met.**
 4. **Council noted that copies of the Draft Amended IDP 2022/2027 were made public in accordance with the legislative framework and guidelines.**
 5. **Council noted that copies of the Draft Amended IDP 2022/2027 were circulated to all required organs of state.**
 6. **Council noted that the draft Amended IDP 2022/2027 was advertised for public comment for period of not less than 28 days.**
 7. **Council noted that all comments received relating to the Final Draft Amended IDP were presented to the Budget Steering Committee on 19 May 2026.**
 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 noted that the Final Amended IDP 2022/27 will be published for Public Information.**
 10. **Council noted that the Final Amended IDP 2022/27 will be submitted to Provincial Directorate Integrated Development Planning and the Overberg District Municipality.**

For finalization by the Office of the Municipal Manager, Mr R de Lange.

ITEM TITLE**SC05/2026 DIRECTORATE FINANCE: COMMENTS / REPRESENTATIONS
RECEIVED ON THE 2026/2027 DRAFT BUDGET**

[English version of the report is the original]

FILE NUMBER

5/1/1-2026/2027

PURPOSE OF REPORT

To present to council the comments and representations received on the 2026/2027 Draft Budget which was tabled on 31 March 2026. The comments and representations emanate from the intensive ward committee and public engagements during April 2026. The Budget Tariffs and Budget related documents were published for comments. The closing date for comments was 30 April 2026.

BACKGROUND

As per attach report.

DISCUSSION

Theewaterskloof Municipality has been delegated to the Provincial Treasury in terms of MFMA compliance and monitoring and thus no comments were received from National Treasury, but from Provincial Treasury – Western Cape.

1. Strategic Integrated Municipal Engagement (SIME) (Annexure A)

2. Comments received from other stakeholders (Annexure B)

- 2.1. Ms. RH Ward
- 2.2. Professor Diane Bell
- 2.3. Mr. Ian Bell
- 2.4. Mr. & Mrs. Lewis
- 2.5. Ms. Jacqui Visser
- 2.6. Mr. SW Visser
- 2.7. Mr. Gerrit Le Roux - Project Champion for the Concerned Group of Riviersonderend Residents
- 2.8. Mr. Sarel Stone – Villiersdorp Ratepayers Association
- 2.9. Mr. Gerrit Visser
- 2.10. Ms. Janine Cyster Williams
- 2.11. Mr. Jaco Smith
- 2.12. Mr. D Ekke
- 2.13. Riviersonderend Ratepayers Association

LEGAL IMPLICATIONS (ITEM AUTHOR)

Section 23 (1) of the MFMA reads as follows:

“when the Annual Budget has been tabled, the municipal council must consider any views of the local community and the National Treasury, the relevant Provincial Treasury and provincial or national organs of state or municipalities which made submission on the budget”.

Section 23 (2) of the MFMA reads as follows:

“after considering all budget submissions, the council must give the Mayor an opportunity to respond to the submissions and if necessary, to revise the budget and table amendments for consideration by the council”.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

As per attach report.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended that Council approves the final responses regarding comments received.

RESOLVED BY COUNCIL: 28 MAY 2026

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 BB Mkhwibiso it was resolved as follows:

Council approves the final responses regarding comments received.

For finalization by the Acting Director: Finance, Mr A Riddles.

ITEM TITLE

SC06/2026 DIRECTORATE FINANCE: CONSIDERATION AND APPROVAL OF THE FINAL BUDGET 2026/2027 AND INDICATIVE FOR THE PROJECTED TWO OUTER YEARS 2027/2028 AND 2028/2029

[English version of the report is the original]

FILE NUMBER

5/1/1-2026/2027

PURPOSE OF REPORT

This report serves to submit to Council for consideration the MTREF for 2026/2027, proposed tariffs, and amendments to budget related policies, the IDP, Supply Chain Management Procurement Plan, Service Delivery and Budget Implementation Plan as well as the Service Standards.

BACKGROUND

In accordance with section 16 of the Municipal Finance Management Act, No 56 of 2003, the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.

DISCUSSION

As contained in the detailed 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.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

As contained in the detailed report.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

- 1. That Council resolves that the Final Annual Operating Budget of the municipality for the financial year 2026/2027 and indicative for the two projected Outer Years 2027/2028 be approved.**

2. That Council resolves that the Final Annual Capital Budget of the municipality for the financial year 2026/2027 and indicative for the two projected Outer Years 2027/2028 and 2028/2029 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 2026/2027 financial year as set out on Tables A1 and A7.
4. 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.
5. That Council resolves that the Final Tariff Charges are approved for the Financial Year 2026/2027. (Annexure A).
6. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70KwH Electricity, Refuse, Sewer are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
7. That it be noted that "Unfunded Functions" and "Underfunded Functions" are fully budgeted for at present service levels and in respect of Housing.
8. 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.
9. All Budget related Policies was reviewed and that Council resolves to adopt the following Amendments to the Policies as per Annexure B
 - 9.1. Rates Policy
 - 9.2. Credit and Debt Collection Policy
 - 9.3. Writing-Off of Irrecoverable Debt
 - 9.4. Indigent Policy
 - 9.5. Supply Chain Management Policy
 - 9.6. Supply Chain Management Preferential Procurement Regulations
 - 9.7. Short-Term Insurance Policy
 - 9.8. Asset Management Policy
10. That Council take note that the following Budget related policies have been reviewed internally with no amendments:
 - 10.1. Borrowing Policy
 - 10.2. Creditor Policy
 - 10.3. Virement Policy
 - 10.4. Budget Policy
 - 10.5. Payroll Management and Administration Policy
 - 10.6. Infrastructure Policy
 - 10.7. Funding and Reserves Policy
 - 10.8. Cash Management and Investment Policy

- 10.9. Tariff Policy
- 10.10. Special Ratings Area Policy
- 10.11. Cost Containment Policy

- 11. That Council resolves that the Final Procurement Plan is approved for the Financial Year 2026/2027. (Annexure C).
- 12. That Council resolves that the updated Long Term Financial Plan is approved for the Financial Year 2026/2027. (Annexure D).
- 13. That Council take cognisance of the Service Standards. (Annexure E)
- 14. The budget provides for a revenue collection rate of 85%. The Financial Recovery Plan indicates an attainable collection rate of 88% for the same period.
- 15. It is recommended that Council supports a minimum collection rate of 85% for the 2026/27 financial year. The proposed target is aligned with the milestones set out in the Financial Recovery Plan and is necessary to ensure the municipality's financial sustainability and compliance with the FRP commitments.

DISCUSSION DURING MEETING:

Questions were raised by Alderman DA Appel and was answered by Mr A Riddles:

- 1. Question: 11.92% increase in refuse removal due to the ODM loan for the new cell at Karwyderskraal. How is it calculated?
Answer: Refuse percentage is scientifically calculated by tariff tolls and expenditure drivers. Refuse is not cost reflective. R22million is spend more than what we get in. 5–8-year implementation phase – it is necessary to phase it in gradually.
- 2. Question: Unfunded position needs to be clarified.
Answer: 2026/2027 Budget is an unfunded budget. A funded position will only be researched by 2028/2029.
- 3. Question: Employee-related costs is the biggest cost driver – funded/unfunded positions included?
Answer: Funded vacancies = R14million – this includes most recently positions become available. Must fill vacancies as soon as possible. Cost ratio of 32%.
- 4. Question: CAPEX = Roof of the pavilion at the Caledon Sport field – will this be funded in the 2025/26 budget and the rest in the 2026/2027 budget?
Answer: This project is funded out of the operational budget (repairs and maintenance) and not out of CAPEX.

RESOLVED BY COUNCIL: 28 MAY 2026

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

1. Council resolves that Final Annual Operating Budget of the municipality for the financial year 2026/2027 and indicative for the two projected Outer Years 2027/2028 be approved.
2. Council resolves that the Final Annual Capital Budget of the municipality for the financial year 2026/2027 and indicative for the two projected Outer Years 2027/2028 and 2028/2029 be approved as set out on Tables A1, A5 and SA36.
3. Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2026/2027 financial year as set out on Tables A1 and A7.
4. 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.
5. Council resolves that the Final Tariff Charges are approved for the Financial Year 2026/2027. (Annexure A).
6. Council approves the Final Monthly Indigent Subsidy in respect of 6kl Water, 70KwH Electricity, Refuse, Sewer and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
7. Council noted that "Unfunded Functions" and "Underfunded Functions" are fully budgeted for at present service levels and in respect of Housing.
8. 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.
9. All Budget related Policies was reviewed and that Council adopted the following Amendments to the Policies as per Annexure B
 - 9.1. Rates Policy
 - 9.2. Credit and Debt Collection Policy
 - 9.3. Writing-Off of Irrecoverable Debt
 - 9.4. Indigent Policy
 - 9.5. Supply Chain Management Policy
 - 9.6. Supply Chain Management Preferential Procurement Regulations
 - 9.7. Short-Term Insurance Policy
 - 9.8. Asset Management Policy
10. Council noted that the following Budget related policies have been reviewed internally with no amendments:

- 10.1. Borrowing Policy
- 10.2. Creditor Policy
- 10.3. Virement Policy
- 10.4. Budget Policy
- 10.5. Payroll Management and Administration Policy
- 10.6. Infrastructure Policy
- 10.7. Funding and Reserves Policy
- 10.8. Cash Management and Investment Policy
- 10.9. Tariff Policy
- 10.10. Special Ratings Area Policy
- 10.11. Cost Containment Policy

- 11. Council resolves that the Final Procurement Plan is approved for the Financial Year 2026/2027. (Annexure C).
- 12. Council resolves that the updated Long Term Financial Plan is approved for the Financial Year 2026/2027. (Annexure D).
- 13. Council take cognisance of the Service Standards. (Annexure E)
- 14. Council noted that the budget provides for a revenue collection rate of 85%. The Financial Recovery Plan indicates an attainable collection rate of 88% for the same period.
- 15. Council supports a minimum collection rate of 85% for the 2026/27 financial year. The proposed target is aligned with the milestones set out in the Financial Recovery Plan and is necessary to ensure the municipality's financial sustainability and compliance with the FRP commitments.

NOTE: *The Freedom Front Plus (Councillor TB Zimmermann) does not support the budget.*

For finalization by the Acting Director: Finance, Mr A Riddles.

ITEM HEADING

**SC07/2026 DIRECTORATE COMMUNITY SERVICES - OPERATIONS:
PROGRESS REGARDING PROJECTS FUNDED BY DEPARTMENT
OF LAND REFORM AND RURAL DEVELOPMENT -
BOSCMANSKLOOF AND BEREAVILLE**

[English version of the report is the original]

FILE NUMBER

16/3/3/4; 16/3/3/1;16/3/3/2

PURPOSE / AIM OF REPORT

The purpose of the report is to inform Council about the progress being made on projects submitted and funded by the Department of Land Reform and Rural Development (DLRRD), and that the Department need certain commitments from Council, going forward with these projects.

BACKGROUND

A report was submitted to Council on 30 April 2025, whereby Council approved the Project Business Plans for projects that were submitted to the Department of Land Reform and Rural Development. The projects that were submitted for possible funding were:

1. Bereaville - New pathway giving access from Church Street to Long Street with a bridge crossing over a river stream.
2. Genadendal - Construction of a gabion wall on the river embankment next to the local primary school.
3. Boschmanskloof - New bridge crossing over the Scholtz river in Vlei Avenue to Protea Avenue.
4. Boschmanskloof/Heuwelkroon - New pathway in Park Street from Plantasie Avenue and the rehabilitation of the bridge crossing over the Scholtz River.

Council approved the Project Business Plan for the 4 projects by Council Resolution C105/2025 of 30 April 2025. A copy is attached to this Item.

DISCUSSION

After the approved Business Plan was send to the DLRRD, the Department appoint Bergstan South Africa to provide professional engineering services for the projects. These projects are an initiative by the DLRRD in response from the TWK Municipality by submitting the Business Plans.

From the 4 projects that were submitted, two projects were prioritized by the DLRRD.

Those projects are:

1. Bereaville - New pathway giving access from Church Street to Long Street with a bridge crossing over a river stream.
2. Boschmanskloof - New bridge crossing over the Scholtz river in Vlei Avenue to Protea Avenue.

An Inception Report was presented to the DLRRD by Bergstan SA and was shared during a meeting with representatives of the Department, Genadendal Transformation Committee and TWK. The report outlined the expected and required deliverables with time frames. It described the methodology of how the projects will be approached by Bergstan SA. The report will now be considered by the DLRRD in going forward.

The Department also required that Council be informed about the progress on the projects and:

1. That Council noted that the projects and funding application for the planned repairs and construction of the pathway in Bereaville and the bridge crossing in Boschmanskloof have been submitted to the DLRRD.
2. That it be noted that the DLRRD covers all the direct costs of the projects.
3. That the Municipality gives it commitment to making sufficient provision in the operational budget for the maintenance of these assets after completion and hand over to the Municipality.
4. That Council needs to enter into a Memorandum of Agreement with the DLRRD in which roles, undertaking, functions and obligations will be set out.
5. That the assets be included in the Asset Register of Council after completion.
6. That the Council prioritize and support these two projects and will forthwith it in the current IDP, as well as in the new 5-year IDP cycle of 2026 to 2031.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

All direct costs will be funded by the DLRRD.

LEGAL IMPLICATIONS (ITEM AUTHOR)

Comply with all applicable and required legislation to support the implementation of these projects.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

All role players agree with the implementation of the projects.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. That Council notes that the projects and funding application for the planned repairs and construction of the pathway in Bereaville and the bridge crossing in Boschmanskloof have been submitted to DLRRD.
2. That it be noted that the DLRRD covers all the direct costs of the projects.
3. That the Municipality gives its commitment to make sufficient provision in the operational budget for the maintenance of these assets after completion and handover from DLRRD to the Municipality.
4. That Council needs to enter into a Memorandum of Agreement with the DLRRD in which roles, undertaking, functions and obligations will be set out.
5. That the assets be included in the Asset Register of Council after completion and handover.
6. That the Council prioritize and support these two projects and will forthwith it in the current IDP, as well as in the new 5-year IDP cycle of 2027 to 2032.

RESOLVED BY COUNCIL: 28 MAY 2026

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 Councillor TB Zimmermann it was resolved as follows:

1. Council noted that the projects and funding application for the planned repairs and construction of the pathway in Bereaville and the bridge crossing in Boschmanskloof have been submitted to DLRRD.
2. Council noted that the DLRRD covers all the direct costs of the projects.
3. Council resolves that the Municipality gives its commitment to make sufficient provision in the operational budget for the maintenance of these assets after completion and handover from DLRRD to the Municipality.
4. Council noted that the Municipality will enter into a Memorandum of Agreement with the DLRRD in which roles, undertaking, functions and obligations will be set out.
5. Council noted that the assets will be included in the Asset Register of Council after completion and handover.
6. Council prioritizes and supports these two projects and will forthwith it in the current IDP, as well as in the new 5-year IDP cycle of 2027 to 2032.

For finalization by the Deputy Director: Community Services, Mr J Barnard.

G. VERDAGING / ADJOURNMENT

Die vergadering verdaag om 12:45.
The meeting adjourned at 12:45.

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

OPGESTEL EN BYGEHOU DEUR:
COMPILED AND RECORDED BY:

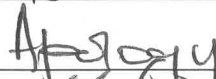
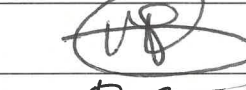
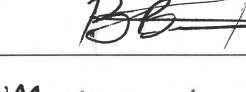
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M FAUL

M Faul

BESTUURDER: KORPORATIEWE DIENSTE
MANAGER: CORPORATE SERVICES

SPEZIALE RAADSVERGADERING /
SPECIAL COUNCIL MEETING

28 MEI / MAY 2026

NAAM EN VAN / NAME AND SURNAME	HANDTEKENING / SIGNATURE
<u>Raadslede / Councillors :</u>	
Raadsheer/Alderman W Wells	
Raadsheer/Alderman LM de Bruyn	
Raadsheer/Alderman CC Clayton	
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	
Raadslid/Councillor D Jooste	
Raadslid/Councillor H Linnerts	
Raadslid/Councillor JD Lekhori	
Raadslid/Councillor TP Lemina	
Raadsheer/Alderman BB Mkhwibiso	
Raadslid/Councillor M Mpambani	M. mpambani

Raadslid/Councillor MA Nomkoko	MA Nomkoko
Raadsheer/Alderman MR Nongxaza	MR Nongxaza
Raadslid/Councillor FO Ntantiso	FO Ntantiso
Raadslid/Councillor V Papier	V Papier
Raadsheer/Alderman M Plato-Mentoor	M Plato-Mentoor
Raadslid/Councillor MS Shale	MS Shale
Raadslid/Councillor C Smith	C Smith
Raadslid/Councillor J Smit	J Smit
Raadslid/Councillor PJ Stander	PJ Stander
Raadslid/Councillor YM van Tonder	YM van Tonder
Raadslid/Councillor TB Zimmermann	TB Zimmermann
<u>Amptenare/Officials:</u>	
Mnr/Mr GW Hermanus	GW Hermanus
Mnr/Mr A Riddles	A Riddles
Mnr/Mr WSE Solomons-Johannes	WSE Solomons-Johannes
Me/Ms N Baliso	N Baliso
Mnr/Mr H Matthee	H Matthee
Mnr./Mr A Opperman	A Opperman
Me./Ms M Faul	M Faul
Me./Ms F Ngxowa	F Ngxowa
Me./Ms D Pheiffer	D Pheiffer
Me./Ms L Kilowan	L Kilowan
MR. E ALBERTUS	E ALBERTUS

[illegible]