EXTRACT COUNCIL MINUTES: 29 JANUARY 2026

UNANIMOUSLY RESOLVED **Item A16/29/01/2026**

1. that the Midyear Budget and Performance Assessment Report for 2025/26, be noted;

2. that it be noted that the Adjustment Budget and a report on Revised Expenditure and Revenue will be tabled at the Council meeting scheduled for February 2026 together with the revised Service Delivery and Budget Implementation Plan (SDBIP).

Item number A16. 29.01.2026

2024/25 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR THE PERIOD 1 JULY 2025 TO 31 DECEMBER 2025

Report by the Municipal Manager: Mrs A Vorster

Department Municipal Manager

Section Developmental Services

File number 2/13

PURPOSE OF REPORT

To submit the Midyear Budget & Performance Assessment Report for 2025/2026 to Council for consideration.

FACTS AND BACKGROUND

In terms of Section 72 (I) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA), the accounting officer of a municipality must by 25 January of each year-

a) Assess the performance of the municipality during the first half of the financial year, taking into account-
   (i) The monthly statements referred to in section 71 for the first half of the financial year;
   (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
   (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and
   (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to-
   (i) the mayor of the municipality;
   (ii) the National Treasury; and
   (iii) the relevant provincial treasury.

   Thereafter, the mayor must, in terms of Section 54. (I)-
   (a) Consider the report;
   (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and

budget implementation plan;

(c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;

(d) Issue any appropriate instructions to the accounting officer to ensure-

(i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) That spending of funds and revenue collection proceed in accordance with the budget;

(e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) Submit the report to the council by 31 January of each year.

DISCUSSION

The midyear report for 2025/26 will be tabled at the Council meeting of 29 January 2026. The Midyear Budget & Performance Assessment Report for 2025/2026 is attached as **Annexure A.13.**

LEGAL IMPLICATIONS

Municipal Finance Management Act, 2003 (Act 56 of 2003).

FINANCIAL IMPLICATIONS

It is necessary to prepare an Adjustments Budget and to revise the revenue and expenditure as well as the SDBIP. The impact of the potential reduced water revenue due to the restrictions need to be considered for the rest of the year.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

The midyear report will be advertised in the local newspapers and on the municipal website and distributed to all municipal offices for scrutiny and comments.

COMMENTS FROM DEPARTMENTS

Director: Community Services

None

Director: Financial Services

Based on the mid-year assessment, it is proposed that an adjustment budget be tabled in February 2026. This is mainly due to adjustments to revenue and increased expenditure on maintenance and operations, especially vehicle maintenance. Water revenue will also be carefully recalculated to reflect potential revenue loss due to the water restrictions.

Although the capital expenditure is low at 20%, several awards were made, and the projects will commence in January 2026.

Director: Infrastructure and Planning Services

None

Municipal Manager

Recommendation supported.

RECOMMENDED

1. that the Midyear Budget and Performance Assessment Report for 2025/26, be noted;

2. that it be noted that the Adjustment Budget and a report on Revised Expenditure and Revenue will be tabled at the Council meeting scheduled for February 2026 together with the revised Service Delivery and Budget Implementation Plan (SDBIP).