

EXTRACT SPECIAL COUNCIL MINUTES: 29 MAY 2026

UNANIMOUSLY RESOLVED

Item A112/29/05/2026

It is recommended that:

1. that the Annual Budget for the 2026/2027 MTREF for the different votes be approved and adopted as set out by the following tables included in the budget document:
 - a) Table A1 - Budget Summary
 - b) Table A2 - Budget Financial Performance.
 - c) Table A3 - Budget Financial Performance (municipal vote)
 - d) Table A4- Budget financial performance by revenue source and expenditure
 - e) Table A5 - Budget Capital Expenditure
 - f) Table A6 - Budget Financial Position
 - g) Table A7 - Budgeted Cash Flow
 - h) Table A8 - Cash Budget Reserves/ Accumulated Surplus
 - i) Table A9 -Asset Management
 - j) Table AI 0 - Consolidated Basic Services Delivery Management.
2. that the Capital Budget for Capital Grants as per Table A5 be approved over the MTREF Multi-Years.
3. that Council take note of the Annual Budget Document with supporting tables under Annexure A.
4. that in terms of section 78A of the Local Government Municipal Systems Act, 32 of 2000 and section 24 of the Local Government Municipal Property Act, 6 of 2004, the tariffs for property rates, electricity, water, sewerage, solid waste, and other services charges as set out in Annexure B of which a copy is attached, be approved and adopted from 1 July 2026.
5. that the interest rate on arrear accounts be approved at the prime rate.
6. that the following policies be approved with effect from 1 July 2026 and placed on the municipal website. The policies are attached under **Annexure C**
 - a) Asset Management Policy
 - b) Appointment of Consultancy Policy
 - c) Bad Debt Write-Off Policy
 - d) Borrowing Policy
 - e) Budget Implementation and Monitoring Policy
 - f) Cash Management and Investment Policy
 - g) Consultancy Reduction Policy
 - h) Contract Management Policy
 - i) Cost Containment Policy
 - j) Customer Care Credit Control and Debt Collection Policy
 - k) Financial Funding and Reserve Policy
 - l) Indigent Support Policy
 - m) Petty Cash Policy
 - n) Property Rates Policy
 - o) Restriction Policy
 - p) SCM Infrastructure Procurement Policy
 - q) SCM Policy
 - r) SCM Preferential Procurement Policy
 - s) Stock Management Policy
 - t) Tariff Policy
 - u) UIFW Expenditure Reduction Policy

7. that Council approve the taking up of a new external loan facility to the amount of R6,2 million for the replacement of vehicles for the 2026/2027 financial year over a seven-year period.
8. that Council take note of the other supporting budget documents under **Annexure D**.
9. that Council approves the procurement plan under **Annexure D**.
10. that Council takes note that the total cost for the capital projects is included in the budget and the funding sources are available.
11. that Council takes note that the projected cost covering the future operational cost of the capital projects is included in the budget.
12. that Council notes that the electricity tariffs are subject to approval from NERSA, which was not received by the time of submitting the budget to Council for consideration.
13. that it be noted that the public inputs received on the budget and IDP under **Annexure E** were considered by Council.
14. that the Annual Budget for the 2026/2027 MTREF be submitted to National and Provincial Treasuries.
15. that the Service Delivery and Budget Implementation Plans (SDBIP) be submitted to the Executive Mayor within 14 days after approval of the budget and be approved within 28 days.
16. that the draft Performance Agreements be submitted to the Executive Mayor within 14 days after approval of the budget and be made public within 14 days after approval of the SDBIP.
17. that it be noted that the A-Schedules were generated directly from the National Treasury Database and not the financial system as required and that National Treasury and Provincial Treasury be informed accordingly.
18. that the 2026/2027 Annual Budget with all Annexures be placed on the municipal website.

Item number A112. 29.05.2026

BUDGET FOR 2026/2027 MTREF

Report of the Director: Financial Services: Miss E Wassermann

Department	Financial Services
Section	Financial Services
File number	5/1/1

Annexures

Annexure A – Annual Budget report and budget schedules. The budget Schedules will be distributed separately.

PURPOSE OF REPORT

This report presents the proposed budget of Swellendam Municipality for the 2026/2027 to 2028/2029 MTREF (Medium Term Revenue and Expenditure Framework) period.

FACTS AND BACKGROUND

The highlights from the Budget Circular, the impact of the ongoing conflict in Iran and key allocations are as follows:

a) Economic and Fiscal Context

Economic growth remains modest, with GDP projected to average 1.8 per cent over the medium term. Inflation is expected to stabilise at around 3.4 per cent in 2026, but risks from geopolitical tensions, exchange rate volatility, administered prices and animal disease outbreaks remain elevated.

The conflict in Iran has already influenced the South African economy by contributing to significantly higher global oil prices. These developments are expected to lead to increased transport and logistics expenses, rising food costs, and elevated production expenditures throughout various sectors.

Higher fuel prices quickly feed into headline inflation, reversing the recent trend toward reduced price pressures. Economists indicate that such increases serve as cost-push shocks, impacting both households and businesses.

Consequently, the South African Reserve Bank (SARB) may need to postpone or moderate planned interest rate reductions, even though inflation had previously moved toward the lower end of the target range. Delaying these measures could diminish household purchasing power, prolong higher borrowing costs, and suppress consumer demand.

Key growth-sensitive sectors affected include:

- Transport and logistics
- Agriculture (fuel-intensive planting and harvesting)
- Mining and manufacturing
- Tourism and aviation (due to jet fuel costs)

For government and municipalities, escalating fuel prices result in higher operating costs for vehicle fleets, waste collection, water services, capital projects (materials, transport, contractors), and impact the demands on service delivery.

Simultaneously, weaker economic growth restricts revenue collection, placing additional pressure on already strained municipal finances. Therefore, municipalities must adopt a cautious and pragmatic approach in planning revenue and expenditures.

b) Government Conditional and Unconditional Grants

Direct allocations to local government total R182.3 billion in 2026/27, made up of R110.1 billion in the local government equitable share; R54.7 billion in direct conditional grants and R17.5 billion in the general fuel levy sharing with metros.

These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

National Treasury has introduced Targeted and Responsible Savings (TARS) to eliminate wasteful and low-priority spending. Reforms to the conditional grants system aim to streamline funding and protect infrastructure investment.

c) Swellendam Combined National and Provincial Allocations for 2026/2027

For the 2026/27 financial year, the Swellendam Municipality's direct allocation envelope is approximately R100.721 million, distributed as follows:

National allocations total R80.722 million:

- Equitable Share: R52.038 million
- Conditional Grants: R3.456 million
- Infrastructure Conditional Grants: R25.228 million

The equitable share continues to serve as the primary flexible funding source for the municipality. The balance consists of conditional grants earmarked for specific purposes.

Provincial direct allocations amount to R19.999 million, detailed below:

- Library Service (Replacement funding for vulnerable B3 municipalities): R6.791 million
- Human Settlements Development Grant (Beneficiaries): R2.451 million
- Informal Settlements Upgrading Partnership Grant: R2.905 million
- Financial Assistance for Maintenance and Construction of Transport Infrastructure: R2.796 million
- Municipal Water Resilience Grant: R2.400 million
- Regional Socio-Economic Projects (RSEP) – Municipal Projects: R1.000 million
- Development of Sport and Recreation Facilities: R0.656 million

Smaller outer-year provincial allocations are anticipated for:

- Title Deeds Restoration Grant: R300,000
- Thusong Service Centres Grant: R300,000

The Human Settlements Development Grant is expected to increase to R43.9 million in subsequent years, signifying an enhanced housing pipeline.

Despite these increased allocations, the equitable share remains the principal source of flexible funding. Most additional funds are limited in scope, intended for designated uses only, and not available for discretionary local expenditure.

d) Service Delivery Impact

Libraries: The allocation of R6.791 million towards libraries represents a substantial investment, enabling the provision of services that smaller municipalities might otherwise be unable to support through their own income. This funding alleviates financial pressure and safeguards an essential community resource.

Housing and Informal Settlements: The Human Settlements Development Grant and the Informal Settlements Upgrading Partnership Grant demonstrate continued activity within the housing sector. Increased allocations for future years signify ongoing provincial commitment to effective housing delivery.

Roads and Transport Infrastructure: An allocation of R2.796 million for transport infrastructure facilitates maintenance and construction projects. Although this funding is supportive, it may not fully resolve existing infrastructure backlogs.

Water Resilience: The R2.400 million Municipal Water Resilience Grant is strategically significant. In light of recent drought conditions and water restrictions, this allocation contributes to enhanced resilience, supply security, and long-term risk management.

Sport and Community Infrastructure: Allocations of R656,000 for sport and recreation facilities and R1 million through the RSEP program, although modest, offer opportunities for tangible community improvements and deliver both social and political benefits.

Overall, Swellendam's funding outlook remains stable and optimistic, with robust support for infrastructure, water resilience, libraries, housing, and community amenities. These targeted investments create pathways for impactful advancements within the municipality.

e) Infrastructure and Service Delivery

The circular highlights severe deterioration of municipal infrastructure, particularly in water, sanitation, electricity and transport services. Municipalities must prioritise repairs and maintenance, reduce non-revenue water, implement cost-reflective tariffs and reinvest service revenues into infrastructure.

f) Governance, Risk and Compliance

Municipalities are cautioned against transition risks ahead of local government elections. From 2026/27, National Treasury will enforce stricter compliance with funded budget requirements. Non-compliance with equitable share, conditional grants and mSCOA requirements may result in withholding of funds.

g) Transparency and Accountability

Municipalities are required to submit procurement spend data, employee information and audit management reports via the GoMuni platform to strengthen transparency and accountability.

h) Conclusion

The 2026/27 MTREF guidance requires credible, funded and outcome-focused municipal budgets. Councils must exercise strong oversight to ensure financial sustainability and protect infrastructure investment.

DISCUSSIONS

1. Capital Budget

The proposed capital projects for the 2026/2027 are as follows:

a) Municipal Infrastructure Grant and Counter Funding (MIG)

		Total		R 13 285 396	R15 169 654	R12 176 414
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Roads & Stormwater	Upgrading of Buffeljags Bulk Stormwater	Buffeljags	MIG	-	-	5 073 506
Roads & Stormwater	Upgrading of Buffeljags Bulk Stormwater	Buffeljags	CRR CF	-	-	1 014 701
Waste Water Services	Barrydale (Smitsville) Upgrade WWTW (CF)	Barrydale	CRR CF	3 202 759	4 725 883	-
Waste Water Services	Barrydale (Smitsville) Upgrade WWTW	Barrydale	MIG	7 077 806	10 443 771	-
Water Services	Swellendam (Railton): Bulk Water Reticulation and Distribution	Swellendam	CRR CF	573 913	-	-
Water Services	Swellendam (Railton): Bulk Water Reticulation and Distribution	Swellendam	MIG	438 933	-	-
Water Services	Upgrading of Buffeljags WTW	Buffeljags	MIG	-	-	5 073 506
Water Services	Upgrading of Buffeljags WTW	Buffeljags	CRR CF	-	-	1 014 701
Sport & Recreational Facilities	Upgrading Suurbraak Sport Facility	Suurbraak	MIG	1 653 348	-	-
Sport & Recreational Facilities	Upgrading Suurbraak Sport Facility (CF)	Suurbraak	CRR CF	338 637	-	-

b) Water Services Infrastructure Grant (WSIG)

		Total		R 6 086 957	-	R 3 107 826
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Water Services	Swellendam (Railton): Upgrade of Bakenskop and Railton Pumpstation, completion rising main to Railton reservoir	Swellendam	WSIG	6 086 957	-	3 107 826

c) Integrated National Electricity Programme

		Total		R 3 913 043	R 6 205 217	R 5 459 130
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29

Electro-Technical Services	Swellendam Railton 950 erven - Elec Infrastructure	Swellendam	INEP	3 913 043	-	-
Electro-Technical Services	Supply of Bulk infrastructure and electrification of informal settlements in Railton	Swellendam	INEP	-	6 205 217	5 459 130

d) Capital Replacement Programme (CRR)

		Total		R 16 746 000	R 5 050 000	R 4 940 000
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Roads & Stormwater	Access Road Gravel erf 8241 - Industrial Erven	Swellendam	CRR LD	-	1 000 000	-
Roads & Stormwater	Glen Barry Road reconstruction	Swellendam	CRR	-	3 250 000	-
Roads & Stormwater	Russel link reconstruction	Swellendam	CRR	1 600 000	-	-
Roads & Stormwater	Kerk Street heavy rehab phase 1	Swellendam	CRR	-	-	2 000 000
Waste Water Management Services	Upgrading N2 Sewer Pumpstation	Swellendam	CRR IND	1 000 000	-	-
Waste Water Management Services	Upgrade Barrydale sewer pump station (2025)	Barrydale	CRR	150 000		
Waste Water Management Services	New Silo wastewater Pump Station (2025)	Swellendam	CRR IND	1 695 000		
Waste Water Management Services	Barrydale Sewer Manholes (82 Houses) (2025)	Barrydale	CRR	500 000		
Water Services	Upgrade of the Irrigation Pump Station Suurbraak	Swellendam	CRR	-	-	300 000
Water Services	Suurbraak WTW Phase 2 Professional Fees	Suurbraak	CRR	-	-	1 000 000
Water Services	Steps and channel grids with railings for Swellendam WTW	Swellendam	CRR	150 000	-	-
Water Services	Upgrading of the Suurbraak water pipeline from Weir to the water pump station	Suurbraak	CRR	-	-	250 000
Water Services	Upgrade the pump station and rising main to Bakenskap reservoir	Swellendam	CRR	-	-	400 000
Water Services	Telemetry and Scada development	WoM	CRR	250 000	-	-
Water Services	Installation of new PH monitors	Swellendam	CRR	140 000	-	140 000

		Total		R 16 746 000	R 5 050 000	R 4 940 000
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Water Services	Emergency Drought Relief - Drilling, Testing and Equipping of Boreholes (2025)	Swellendam	CRR	800 000		
Electro-Technical Services	Shand/Gelderblom Street lights	Swellendam	CRR	180 000	-	-
Electro-Technical Services	Overhead and Underground Cables	Swellendam	CRR	350 000	-	-
Electro-Technical Services	Electricity provision for ICT tower in Barrydale	Barrydale	CRR	250 000	-	-
Electro-Technical Services	SCADA monitoring system	WoM	CRR	400 000	-	-
Property Management	Rebuild Thusong Centre, Railton	Swellendam	CRR Build	7 671 000	-	-
Property Management	Upgrade of Barrydale Municipal Building (2025)	Barrydale	CRR	R100 000		
Environmental & Waste Minimisation	Installation and repositioning of fence at Bontebok Landfill	WoM	CRR	900 000	-	-
Environmental & Waste Minimisation	Cage Truck	WoM	CRR	-	800 000	-
Environmental & Waste Minimisation	Suurbraak Landfill Facilities	Suurbraak	CRR	560 000	-	-
Environmental & Waste Minimisation	Street Refuse Bins (2025)	WoM	CRR	50 000		
Solid Waste Management	Container Vehicle (for drop off facilities)	WoM	CRR	-	-	850 000

e) Borrowing Leases – Vehicles

It is proposed that the municipality invest in the vehicle replacement program. The repair and maintenance costs for vehicles have increased significantly in the last two years. This increase is attributed to significant fleet repairs on refuse compactors, sewage trucks, bulldozers, and other vehicles. The following vehicles are proposed to be financed under a lease at an estimated annual cost of R1,485 050.

		Total		R 6 200 000	-	-
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Roads & Stormwater	Grader Gravel Roads	WoM	BORL	2 500 000	-	-
Electro-technical services	Two Cherrypickers 12m and 18m each	WoM	BORL	3 700 000	-	-

f) Informal Settlements Upgrading Partnership Grant

		Total		R2 905 000	-	-
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Integrated Human Settlement	Security Fence at Swellendam Informal Settlement	Swellendam	ISUP	1 641 509	-	-
Integrated Human Settlement	Provision of Precast Toilets	Swellendam	ISUP	1 263 491	-	-

g) Regional Socio-Economic Project programme / Sport

		Total		R 1 440 001	-	-
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Town Planning	Railton Walkway Project	WoM	RSEP	869 566	-	-
Sport & Recreational Facilities	New Grandstand Seats for Buffeljagsrivier Sport Facility	Buffeljags	Sport	570 435	-	-

h) Housing Service Delivery Programme

		Total		R 1 000 000	R 13 500 000	R 29 300 000
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Roads & Stormwater	Raiton CBD - Roads	Swellendam	HSDG	293 341	-	-
Roads & Stormwater	Suurbraak 550 - Roads	Suurbraak	HSDG	-	4 500 000	9 766 667
Waste Water Services	Raiton CBD - Sewer	Swellendam	HSDG	525 375	-	-
Waste Water Services	Suurbraak 550 - Sewer	Suurbraak	HSDG	-	4 500 000	9 766 667
Water Services	Raiton CBD - Water	Swellendam	HSDG	178 113	-	-
Water Services	Suurbraak 550 - Water	Suurbraak	HSDG	-	4 500 000	9 766 666
Electro-Technical Services	Raiton CBD - Electricity	Swellendam	HSDG	3 171	-	-

i) Capital from Revenue

		Total		R 3 764 000	R 2 310 000	R 2 790 000
Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Various Departments	Air conditioners and building-related projects	WoM	CRR REV	420 000	410 000	430 000
Various Departments	Furniture and Office Equipment	WoM	CRR REV	267 000	110 000	130 000
Various Departments	ICT Equipment	WoM	CRR REV	680 000	550 000	550 000
Various Departments	Machinery and Equipment	WoM	CRR REV	622 000	480 000	500 000
Waste Water Management	New Bund Wall – Pumpstation (2025)	Barrydale	CRR REV	90 000		
Community Services	Fire skids	WoM	CRR REV	90 000	100 000	-
Fleet Management Services	New two-way radios	WoM	CRR REV	80 000	80 000	-
Property Management Administration	Security systems and cameras	WoM	CRR REV	500 000	400 000	400 000
Parks & Cemeteries	Ride on tractor	Barrydale	CRR REV	120 000	-	-
Parks & Cemeteries	New trailer	Suurbraak	CRR REV	50 000	-	-
Parks & Cemeteries	Canopy and Towbar (CCK 12957)	Swellendam	CRR REV	50 000	-	-
Traffic Control & Law Enforcement	Double-Axle Cattle Trailer	WoM	CRR REV	70 000	-	-
Environmental & Waste Minimisation	Recycling Drop-off Containers	WoM	CRR REV	80 000	100 000	100 000
Environmental & Waste Minimisation	AHP Disposal Bins	WoM	CRR REV	75 000	80 000	80 000
Solid Waste Management	Dropoff Containers	WoM	CRR REV	-	-	600 000
Solid Waste Management	Skips	WoM	CRR REV	270 000		
Executive and Council	Ward 1 Project	Ward 1	CRR REV	50 000		
Executive and Council	Ward 2 Project	Ward 2	CRR REV	50 000		
Executive and Council	Ward 3 Project	Ward 3	CRR REV	50 000		
Executive and Council	Ward 4 Project	Ward 4	CRR REV	50 000		

Section	Project Description Filter	Total		R 3 764 000	R 2 310 000	R 2 790 000
		Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Executive and Council	Ward 5 Project	Ward 5	CRR REV	50 000		
Executive and Council	Ward 6 Project	Ward 6	CRR REV	50 000		

Considering the above, the funding sources for the total capital budget are as follows:

WC034 Swellendam - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		–	–	4 446	8 769	2 244	2 244	1 389	500	400	400
Vote 2 - FINANCIAL SERVICES		–	–	–	–	–	–	–	90	–	–
Vote 3 - INFRASTRUCTURE & PLANNING SERVICES		17 044	29 976	17 493	42 929	48 421	48 421	26 828	20 670	34 875	45 760
Vote 4 - COMMUNITY SERVICES		–	–	288	4 084	4 064	4 064	3 064	70	90	940
Capital multi-year expenditure sub-total		17 044	29 976	22 226	55 783	54 729	54 729	31 280	21 330	35 365	47 100
Single-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		1 765	20	626	7 016	4 149	4 149	494	8 198	70	70
Vote 2 - FINANCIAL SERVICES		2 152	2 538	1 350	1 345	1 591	1 591	1 282	860	750	850
Vote 3 - INFRASTRUCTURE & PLANNING SERVICES		38 097	19 252	23 717	28 110	36 112	36 112	13 738	16 898	4 830	8 799
Vote 4 - COMMUNITY SERVICES		3 844	559	3 769	10 362	6 305	6 305	837	8 054	1 220	955
Vote 5 - CORPORATE SERVICES		83	666	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		45 941	23 034	29 463	46 833	48 157	48 157	16 351	34 010	6 870	10 674
Total Capital Expenditure - Vote	3,7	62 985	53 010	51 689	102 616	102 887	102 887	47 632	55 340	42 235	57 773
Capital Expenditure - Functional											
Governance and administration		2 277	2 725	6 643	19 145	10 717	10 717	4 836	10 048	1 530	1 470
Executive and council		–	7	11	–	–	–	–	427	70	70
Finance and administration		2 277	2 718	6 631	19 145	10 717	10 717	4 836	9 621	1 460	1 400
Community and public safety		2 573	(3 298)	760	5 808	10 348	10 348	4 222	6 189	265	200
Community and social services		649	402	162	230	210	210	131	190	190	140
Sport and recreation		1 495	186	478	4 628	5 194	5 194	3 548	2 907	35	–
Public safety		429	513	121	950	792	792	543	187	40	60
Housing		–	(4 399)	–	–	4 152	4 152	–	2 905	–	–
Economic and environmental services		27 276	8 011	19 995	18 869	16 868	16 868	13 405	5 313	8 800	11 817
Planning and development		1 765	642	503	696	1 071	1 071	459	870	–	–
Road transport		25 511	7 369	19 492	18 173	15 797	15 797	12 946	4 443	8 800	11 817
Trading services		30 859	45 573	24 291	58 794	64 953	64 953	25 168	33 790	31 640	44 287
Energy sources		1 424	11 792	12 052	14 995	19 357	19 357	5 872	8 796	6 205	5 459
Water management		18 449	25 737	2 792	34 650	35 387	35 387	15 997	8 718	4 620	21 178
Waste water management		9 715	4 169	6 150	8 789	9 534	9 534	3 079	14 341	19 770	15 955
Waste management		1 271	3 874	3 297	360	675	675	220	1 935	1 045	1 895
Total Capital Expenditure - Functional	3,7	62 985	53 010	51 689	102 616	102 887	102 887	47 632	55 340	42 235	57 773
Funded by:											
National Government		16 769	27 560	9 908	55 229	55 329	55 329	30 807	19 170	16 649	18 714
Provincial Government		30 835	17 838	7 886	9 628	12 750	12 750	2 199	5 345	13 500	29 300
District Municipality		498	457	–	–	40	40	9	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		–	–	–	200	60	60	50	–	–	–
Transfers recognised - capital	4	48 102	45 855	17 794	65 057	68 179	68 179	33 065	24 515	30 149	48 014
Borrowing	6	7 211	3 229	7 277	6 050	9 059	9 059	4 928	6 200	–	–
Internally generated funds		4 654	1 202	20 996	31 509	25 649	25 649	9 638	24 625	12 086	9 759
Total Capital Funding	7	59 967	50 287	46 067	102 616	102 887	102 887	47 632	55 340	42 235	57 773

It is further proposed to improve capital spending by approving capital grants over a multi-year appropriation.

2. Operational Budget

Equitable Share

Function	FBS	Adjustment Budget	Draft Budget 2025/2026	Draft Budget 2026/2027	Draft Budget 2027/2028
Waste Management	Indigent 100%/ Poor 50%	R8 634 790	R9 655 200	R10 282 788	R10 899 755
Finance and Administration (Property Rates)	First R750 000 exempted for Indigents/ R375 000 for poor exempted	R3 043 388	R3 017 270	R3 288 824	R3 584 818
Waste Water Management	Indigent 100%/ Poor 50%	R11 274 157	R12 112 944	R12 863 947	R13 635 784
Water Management	6kl	R5 822 868	R6 777 657	R7 367 313	R7 846 188
Energy Sources	50kwh/20kwh	R2 924 033	R3 193 629	R3 488 082	R3 809 683
Executive and Council		R17 712 764	R17 281 300	R17 403 046	R16 028 772
Equitable Share	Total	R49 412 000	R52 038 000	R54 694 000	R55 805 000
FBS Support	Total	R31 699 236	R34 756 700	R37 290 954	R39 776 228
	Percentage	64%	67%	68%	71%

For the 2026/2027 financial year, the indigent support program will accommodate an additional 230 households. Consequently, funding for indigent support to provide free basic services will rise from R31,6 million to R34,7 million, reflecting a 10% increase and accounting for 67% of the equitable share.

The Dora has further split the equitable share as follows:

Description	Type	Tabled Budget 2026/2027	Tabled Budget 2027/2028	Tabled Budget 2028/2029
Equitable Share	Revenue	R49 129 000	R51 684 000	R52 702 000
Special Support for Councillors Remuneration and Ward Committees	Revenue	R2 909 000	R3 010 000	R3 103 000
Equitable Share		R52 038 000	R54 694 000	R55 805 000
Remuneration of Councillors	Expenditure	R6 660 870	R6 927 305	R7 204 398
Ward Committees	Expenditure	R111 996	R115 692	R119 394
Pensioners Rebate	Expenditure	R95 315	R103 893	R113 243
Special Projects	Expenditure	R60 000	R61 980	R63 966
Admin Support	Expenditure	R572 656	R598 711	R625 354
Operational Costs	Expenditure	R318 040	R328 604	R339 192
FBS Support	Total	R7 818 877	R8 136 185	R8 465 547

Council should note that the services offered in the informal settlement are not included in the equitable share. It is expected that this will be addressed once the block development begins. Currently, the services provided in the informal settlement include:

- Water standpipes and toilets;
- Refuse removal central point;

The municipality depends on the remaining balance of the equitable share to balance the budget. However, this does not imply that the municipality will reject any indigent applications on this basis.

Other Grants

Description	Abbreviation	Tabled Budget 2025/2026	Tabled Budget 2026/2027	Tabled Budget 2027/2028
Finance Management Grant	FMG	R2 000 000	R2 100 000	R2 200 000
Expanded Public Works Programme	EPWP	R1 457 000		
Human Settlement Grant	HUMS	R2 451 000	R1 111 000	
Library Services Replacement Grant	MRF	R6 791 000	R6 859 000	R6 927 000
Municipal Infrastructure Grant (PMU)	MIG PMU	R686 400	R738 100	R754 500
Municipal Infrastructure Grant (Infrastructure)	MIG	R3 871 513	R3 580 129	R4 188 488
Title Deed Restoration Grant	TDR		R150 000	R150 000
Municipal Water Resilience Grant	MWRG	R2 400 000		
Transport Grant & Sport	TRANS	R2 796 000	56 000	56 000
Thusong Grant	Thusong		R300 000	
	Total	R22 452 913	R14 894 229	R14 275 988

The EPWP Grant is insufficient to cover the 12-month allocations for EPWP workers. This resulted in the grant funding being exhausted by the end of March. The municipality is dependent on the EPWP workers to fill gaps in the organisation. To supplement the EPWP Grant to maintain workers for a full year, the following additional provisions are made to be funded from rates services:

- Protective Clothing R220 000

Property Rates

It is proposed that the property rates tariff increase by 5.5%. Property Rates Revenue will increase from R65 930 676 to R69 574 444.

Electricity Services

It is proposed that electricity tariffs increase by 9.22% on average, based on the cost-of-supply study. Electricity revenue will increase from R151 726 845 to R166 456 615.

Nersa / Eskom have advised that the bulk tariff increase for municipalities are 9% for 2026/2027 financial year.

The cost of supply study was used to determine the electricity price increase. The higher price increase is subject to changes in Eskom's tariff structure. For Swellendam, the calculation is 9.22%.

The municipality also plans to introduce a new tariff structure based on the cost of supply. It should be noted that the municipality is gradually losing electricity revenue, and to prevent this, it is proposed that the new tariff structure be implemented. This will be implemented over 5 years.

A separate meeting was held on the impact of the cost of supply study and the tariff structure change.

Water Services

It is proposed that the water tariffs increase by 8.85% on average. The tariffs will vary between 8.65% to 9.20% respectively. Water revenue will increase from R28 046 646 to R30 146 134.

Waste Water Management (Sewerage)

It is proposed that the sewerage tariffs increase by 5.8%. Sewerage revenue will decrease from R27 015 546 to R26 000 979. The reason for the decrease is lower penalties on the industrial effluent.

Waste Management (Refuse)

It is proposed that the refuse tariffs increase with 7%. Refuse revenue will increase from R18 140 335 to R19 538 089.

The complete tariff listing is attached under **Annexure B**.

Employee Related Cost

The total employee-related cost increased by 9.5%, from R159 871 490 to R174 985 331, representing 34% of total operating expenditure. Including Councillors, the percentage increases to 35%.

Another way to assess the impact of employee-related costs on the budget is to exclude the bulk purchases account. Taking this into account, the impact of employee-related costs on the budget is 46.9%.

Included in employee-related costs is the following proposed post to be funded:

Directorate	Post Designation	Total Cost
Municipal Manager	Snr Clerk (HR Administration)	R316 840
Financial Services	Assistant Accountant (AFS)	R620 660
	SCM Administrator	R188 521

	IT Technician	R318 937
Community Services	Law Enforcement Officer x15	R248 884
	Examiner	R308 725
	General Assistant (Suurbraak)	R171 107
	General Assistant (Barrydale)	R87 609
Infrastructure & Planning Services	Water: Assistant Process Controller (Barrydale)	R110 023
	Water: Supervisor / Driver (Barrydale)	R97 307
	Administrative Assistant (Swellendam)	R134 175
	Artisan (Electrical) (Barrydale)	R256 830
	Water Treatment Works: Principal Process Controller (Class Iv) Swellendam	R230 904
	Waste Water Treatment Works: Class IV Chief Process Controller (Swellendam)	R230 904
	Waste Water Treatment Works: Class IV Principal Process Controller (Swellendam)	R230 904
	Waste Water Treatment: Assistant Process Controller (Swellendam)	R109 703
	Waste Water Treatment: Assistant Process Controller (Swellendam)	R109 703
	Waste Water: Supervisor / Driver (Swellendam)	R97 307
	Waste: General Assistant (Suurbraak)	R171 107
	Waste: General Assistant (Barrydale)	R87 609
	Waste: Driver (Skips Management)	R180 365
Total		R4 049 406

These positions were budgeted for 6 months of the financial year. This will be referred to the organisational structure meeting for final approval.

Influence on consumer account

Rates and Service Charges	High Income		Middle Income		Affordable Range		Indigent Households	
	2025/2026	2026/2027	2025/2026	2026/2027	2025/2026	2026/2027	2025/2026	2026/2027
Property rates	R1 152,32	R1 219,15	R531,54	R562,37	R376,35	R398,17		
Electricity: Basic levy	R221,94	R277,80	R221,94	R277,80				
Electricity: Consumption	R3734,97	R3915,18	R3 247,8	R3 915,18	R1892,61	R2067,11	R822,48	R898,31
Water: Basic levy	R148,58	R161,66	R148,58	R161,66	R148,58	R161,66		
Water: Consumption	R649,46	R706,61	R537,75	R585,07	R429,08	R466,84	R264,21	R287,46
Sanitation	R442,64	R468,31	R442,64	R468,31	R442,64	R468,31		
Refuse removal	R304,01	R325,29	R304,01	R325,29	R304,01	R325,29		
Infrastructure Levy	R17,25	R18	R17,25	R18	R17,25	R18	R17,25	R18
Total	R6 671,17	R7 092,00	R5 938,68	R6 313,68	R3 610,52	R3 905,39	R1 103,94	R1 203,77

% Increase	9,1%	6,3%	9,3%	6,3%	8,6%	8,2%	9,5%	9%
Rand Amount	R556,36	R420,83	R504,06	R375	271,52	R297,87	R94,47	R99,83
% Increase Without Electricity	6,9%	6,8%	6,6%	7%	6,5%	7%	6%	8,5%
Rand Amount	R174,13	R184,77	R121,82	R138,93	R104,17	R120,37	R14,96	R24
Note:	• Property Value R1 500 000 • 1000 kWh Electricity • 35 kl Water		• Property Value R700 000 • 1000 kWh Electricity • 30kl Water		• Property Value R500 000 • 500 kWh Electricity • 25 kl Water		• Property Value R300 000 • 350 kWh Electricity • 20 kl Water	

Operating and Expenditure

The budget reflects a cash deficit of R7.7 million for 2026/2027, which will affect the municipality's cash reserves, provisions, and future budgets. This outcome stems from efforts to reduce tariffs in order to make them more affordable, given the current economic environment. Although this is not an ideal situation, each expenditure requirement will be reviewed during the public participation process to mitigate the impact as much as possible.

Considering the above, the proposed revenue and expenditure framework can be summarised below:

Western Cape: Swellendam (WC034) – Table A4 Budgeted Financial Performance (All) for 4th Quarter ended 30 June 2026

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Admitted Outcome	Admitted Outcome	Admitted Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	38 360 390	116 095 184	132 763 506	156 434 623	151 726 845	151 726 845	122 457 469	166 456 615	181 776 319	198 508 348
Service charges - Water	2	22 509 405	24 710 345	26 802 606	27 430 453	28 046 646	28 046 646	24 937 761	30 146 134	32 768 717	34 898 587
Service charges - Waste/Water Management	2	19 386 468	22 065 980	27 172 691	24 734 452	27 015 546	27 015 546	24 454 708	26 000 979	27 613 038	29 269 820
Service charges - Waste Management	2	12 745 212	14 731 601	16 637 666	16 073 571	16 140 334	16 140 334	15 244 347	15 536 083	20 808 065	22 056 543
Sale of Goods and Rendering of Services		2 900 105	3 295 720	3 771 110	3 231 825	3 031 037	3 031 037	2 702 807	3 260 134	3 367 719	3 475 485
Agency services		2 728 337	2 735 803	2 766 359	2 859 060	2 859 060	2 859 060	2 473 824	3 061 750	3 162 788	3 263 897
Interest - Declined Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 854 960	1 761 379	1 854 833	2 028 736	1 577 463	1 577 463	1 533 871	1 824 983	1 931 127	2 045 241
Interest earned from Current and Non Current Assets		7 661 366	12 581 344	16 743 257	13 000 000	16 000 000	16 000 000	13 466 126	13 500 000	13 345 500	14 331 756
Dividends		1 647	1 830	2 036	2 000	2 000	2 000	2 219	2 074	2 142	2 211
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		392 735	751 032	732 009	624 371	728 191	728 191	741 060	624 279	651 470	678 725
Licences or permits		1 299 891	1 273 576	1 402 222	1 462 644	1 400 222	1 400 222	1 111 881	1 479 579	1 528 407	1 577 315
Special rating levies		-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue		-	56 420 186	132 073 610	91 278 000	104 044 723	104 044 723	64 410 572	-	-	-
Development Charges		3 524 801	878 147	1 602 086	1 710 468	4 445 000	4 445 000	4 466 847	1 270 000	1 346 200	1 426 372
Operational Revenue		3 808 127	17 746 656	117 053	726 153	570 414	570 414	564 045	407 035	436 010	508 552
Non-Exchange Revenue											
Property rates	2	50 115 613	56 640 568	61 757 423	66 030 113	65 330 676	65 330 676	56 440 140	63 574 444	75 836 144	82 661 338
Sanitation and Taxes		954 688	960 323	1 475 361	1 442 700	1 548 040	1 548 040	1 300 249	1 548 040	1 548 040	1 548 040
Fines, penalties and forfeits		42 513 801	48 858 074	54 735 773	57 078 420	52 639 420	52 639 420	50 272 101	51 785 745	50 825 292	48 884 055
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		55 072 018	62 242 450	64 829 468	69 708 566	76 662 631	76 662 631	61 423 857	76 809 312	70 519 012	71 366 032
Interest Receivables		325 152	403 823	354 334	335 472	232 653	232 653	315 475	388 500	404 040	420 202
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		3 313 585	3 330 680	3 803 168	4 108 293	3 667 351	3 667 351	3 206 267	4 036 604	4 430 318	4 761 176
Gains on Disposal of Fixed and Intangible Assets		333 897	281 061	3 123 173	200 000	200 000	200 000	859 636	1 000 000	1 000 000	1 000 000
Other Gains		5 080 416	412 412	225 670	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers)		335 507 374	448 247 080	555 533 454	541 945 320	560 588 252	560 588 252	452 590 270	473 054 355	494 165 153	522 945 063
Expenditure											
Employee related costs	2	108 483 316	118 064 342	128 300 286	153 871 430	156 311 746	156 311 746	118 170 314	174 385 331	181 362 700	189 447 317
Remuneration of councillors		5 607 290	5 822 776	5 828 799	6 404 682	6 404 682	6 404 682	5 081 012	6 660 870	6 927 305	7 204 398
Bulk purchases - electricity	2	73 634 101	38 123 267	116 634 824	135 182 285	134 633 147	134 633 147	102 064 583	146 466 408	153 332 726	173 437 673
Inventory consumed	8	16 384 783	16 783 987	18 165 397	12 308 443	12 745 756	12 745 756	8 891 900	11 742 555	12 083 007	12 465 728
Debt impairment	3	8 626 811	13 813 783	12 534 387	24 226 250	17 025 425	17 025 425	32 250 000	16 022 312	16 642 176	17 336 826
Depreciation, Amortisation and Impairment		16 161 143	27 339 302	43 031 381	21 527 313	36 789 789	36 789 789	14 885 937	38 600 471	40 430 736	42 474 324
Interest, Dividends and Rent on Land		9 112 647	10 071 519	9 902 958	10 226 294	10 226 294	10 226 294	2 622 902	9 269 494	9 228 850	8 322 046
Contracted services		29 357 155	30 922 435	177 508 243	137 250 377	157 352 361	157 352 361	33 387 376	56 027 063	51 063 504	51 626 573
Transfer and subsidies		530 350	1 102 117	1 072 997	1 420 000	1 430 000	1 430 000	625 165	765 000	769 785	791 219
Irrecoverable debts written off		26 732 736	20 336 361	28 333 391	24 374 036	25 604 036	25 604 036	16 717 819	26 647 313	26 885 376	27 131 012
Operational Cost and Other Cost		25 896 503	28 907 066	26 312 114	30 739 335	33 042 784	33 042 784	23 457 835	31 708 637	32 188 831	33 289 264
Disposal of Fixed and Intangible Assets		1 051 528	989 424	8 035 970	-	-	-	-	-	-	-
Other Losses		-	282	500 608	-	-	-	-	-	-	-
Total Expenditure		327 701 625	432 245 841	576 363 171	564 223 687	532 832 032	532 832 032	426 156 103	519 638 720	537 535 608	565 586 386
Surplus/(Deficit)		7 806 343	16 001 159	(20 829 717)	(22 283 767)	(32 303 780)	(32 303 780)	26 434 167	(46 644 365)	(43 429 363)	(42 641 323)
Transfers and subsidies - capital (monetary)	6	47 883 488	40 730 577	17 834 636	65 056 695	68 178 845	68 178 845	33 563 871	24 515 088	30 148 988	48 019 368
Transfers and subsidies - capital (in-kind)	6	933 090	4 683 055	5 622 362	-	-	-	-	-	-	-
and contributions		56 622 927	61 423 791	2 627 281	42 772 928	35 875 065	35 875 065	59 998 038	(22 129 277)	(13 280 861)	5 372 645
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		56 622 927	61 423 791	2 627 281	42 772 928	35 875 065	35 875 065	59 998 038	(22 129 277)	(13 280 861)	5 372 645
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
municipality		56 622 927	61 423 791	2 627 281	42 772 928	35 875 065	35 875 065	59 998 038	(22 129 277)	(13 280 861)	5 372 645
Share of Surplus/Deficit attributable to Associates	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		56 622 927	61 423 791	2 627 281	42 772 928	35 875 065	35 875 065	59 998 038	(22 129 277)	(13 280 861)	5 372 645

Operational revenue (Table A4) indicates that revenue will decrease from R541.9m to R473.1m, i.e. (-15.6%) for the 2026/27 financial year compared to the 2025/26 Adjustments Budget. For the two outer years, revenue will increase by 4.5 per cent and 5.8 per cent, respectively. Total Revenue is informed by fluctuations in the allocation of the Housing Grant (Construction Contracts) between operating (top structures) and capital (infrastructure) in the respective financial years.

Total operating expenditure for the 2026/27 financial year has been appropriated at R519.7m, representing a 12.3% decrease, resulting in an accounting deficit of R46.6m (excluding capital grants). For the two outer years, expenditure will increase by 3.4 per cent and 5.2 per cent, respectively.

It is important to note that the format of Table A4 is updated for 2026/27 to include the top structures portion of the Housing Grant (Construction Contracts), as Exchange Revenue. Furthermore, the services portion (Capital) is classified as Non-Exchange Revenue (Transfers and Subsidies: Capital), which is no longer classified as construction contract revenue. The

aforementioned reclassification complies with the Generally Recognised Accounting Principles (GRAP 23).

According to Schedule A8, the budget is funded despite the cash deficit projected for the 2026/2027 financial year.

Western Cape: Swellendam (WC034) - Table A8 Cash backed reserves/accumulated surplus reconciliation for 4th Quarter ended 30 June 2026											
Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	255 179 958	179 910 801	515 391 298	103 657 261	149 105 764	149 105 764	368 972 574	151 135 234	134 099 905	125 512 842
Other current investments > 90 days		(133 406 727)	(1 394 688)	(306 590 827)	-	-	-	(129 109 590)	(3 843 000)	(1 926 857)	(2 012 602)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		121 773 231	178 516 113	208 800 471	103 657 261	149 105 764	149 105 764	239 862 984	147 292 234	132 173 048	123 500 240
Application of cash and investments											
Unspent conditional transfers		20 394 679	20 135 845	33 385 875	103 649	843 364	843 364	56 902 418	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(5 105 211)	(2 296 784)	(3 024 185)	(5 211 476)	(3 024 191)	(3 024 191)	885 639	(3 024 191)	(3 024 191)	(3 024 191)
Other working capital requirements	3	5 574 258	34 530 897	(12 569 845)	16 515 814	18 963 681	18 963 681	233 159	5 620 216	715 083	(3 307 839)
Other provisions		17 718	15 175	16 239	22 152	21 668	21 668	16 239	14 200	14 200	14 200
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	25 072 000	26 403 215	30 858 100	15 121 050	29 927 949	29 927 949	31 383 982	32 015 735	31 887 352	34 320 000
Total Application of cash and investments:		63 653 912	93 948 196	64 888 660	48 681 119	68 378 479	68 378 479	105 643 913	48 811 475	43 777 959	42 187 685
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Re		58 119 319	84 567 917	143 911 811	54 976 142	80 727 285	80 727 285	134 219 071	98 480 759	88 395 089	81 312 555
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Incl Non-Current Creditors Trf to Debt Re		58 119 319	84 567 917	143 911 811	54 976 142	80 727 285	80 727 285	134 219 071	98 480 759	88 395 089	81 312 555

3. Policies

The following budget-related policies will be submitted for input:

- Asset Management Policy
- Appointment of Consultancy Policy
- Bad Debt Write-Off Policy
- Borrowing Policy
- Budget Implementation and Monitoring Policy
- Cash Management and Investment Policy
- Consultancy Reduction Policy
- Contract Management Policy
- Cost Containment Policy
- Customer Care Credit Control and Debt Collection Policy
- Financial Funding and Reserve Policy
- Indigent Support Policy
- Petty Cash Policy
- Property Rates Policy
- Restriction Policy
- SCM Infrastructure Procurement Policy
- SCM Policy
- SCM Preferential Procurement Policy
- Stock Management Policy
- Tariff Policy
- UIFW Expenditure Reduction Policy

4. Budget Inputs

The Tabled budget was opened for public input from 3 April 2026 until 4 May 2026. The inputs received are attached under **Annexure E**.

5. Disclaimer

The Finance Department must populate the A-Schedules for the new mSCOA chart release directly from the financial system as prescribed by National Treasury and the

budget and reporting regulations. The A-Schedules populated from the financial system could not be used, as they contained numerous errors. Consequently, the strings were uploaded, and the National Treasury generated A-Schedules, were used to populate the final budget document.

LEGAL IMPLICATIONS

Chapter 4 of the MFMA, together with MFMA Circulars No. 129 and 130, provides guidelines for submitting municipal budgets to the Council for adoption.

In terms of Section 16(2), the mayor must table the budget at least 90 days before the start of the budget year and consider the views of the National and Provincial Treasuries and the public before it is finally approved by the end of May 2025.

FINANCIAL IMPLICATIONS

As per the report of the Director of Financial Services.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Financial Services

As per the report.

Director: Infrastructure and Planning Services

None

Municipal Manager

None

RECOMMENDED

It is recommended that:

1. that the Annual Budget for the 2026/2027 MTREF for the different votes be approved and adopted as set out by the following tables included in the budget document:
 - a) Table A1 - Budget Summary
 - b) Table A2 - Budget Financial Performance.
 - c) Table A3 - Budget Financial Performance (municipal vote)
 - d) Table A4- Budget financial performance by revenue source and expenditure
 - e) Table A5 - Budget Capital Expenditure
 - f) Table A6 - Budget Financial Position
 - g) Table A7 - Budgeted Cash Flow
 - h) Table A8 - Cash Budget Reserves/ Accumulated Surplus
 - i) Table A9 -Asset Management

- j) Table AI 0 - Consolidated Basic Services Delivery Management.
2. that the Capital Budget for Capital Grants as per Table A5 be approved over the MTREF Multi-Years.
 3. that Council take note of the Annual Budget Document with supporting tables under Annexure A.
 4. that in terms of section 78A of the Local Government Municipal Systems Act, 32 of 2000 and section 24 of the Local Government Municipal Property Act, 6 of 2004, the tariffs for property rates, electricity, water, sewerage, solid waste, and other services charges as set out in Annexure B of which a copy is attached, be approved and adopted from 1 July 2026.
 5. that the interest rate on arrear accounts be approved at the prime rate.
 6. that the following policies be approved with effect from 1 July 2026 and placed on the municipal website. The policies are attached under **Annexure C**
 - a) Asset Management Policy
 - b) Appointment of Consultancy Policy
 - c) Bad Debt Write-Off Policy
 - d) Borrowing Policy
 - e) Budget Implementation and Monitoring Policy
 - f) Cash Management and Investment Policy
 - g) Consultancy Reduction Policy
 - h) Contract Management Policy
 - i) Cost Containment Policy
 - j) Customer Care Credit Control and Debt Collection Policy
 - k) Financial Funding and Reserve Policy
 - l) Indigent Support Policy
 - m) Petty Cash Policy
 - n) Property Rates Policy
 - o) Restriction Policy
 - p) SCM Infrastructure Procurement Policy
 - q) SCM Policy
 - r) SCM Preferential Procurement Policy
 - s) Stock Management Policy
 - t) Tariff Policy
 - u) UIFW Expenditure Reduction Policy
 7. that Council approve the taking up of a new external loan facility to the amount of R6,2 million for the replacement of vehicles for the 2026/2027 financial year over a seven-year period.
 8. that Council take note of the other supporting budget documents under **Annexure D**.
 9. that Council approves the procurement plan under **Annexure D**.
 10. that Council takes note that the total cost for the capital projects is included in the budget and the funding sources are available.
 11. that Council takes note that the projected cost covering the future operational cost of the capital projects is included in the budget.

12. that Council notes that the electricity tariffs are subject to approval from NERSA, which was not received by the time of submitting the budget to Council for consideration.
13. that Council note and consider the public inputs received on the budget and IDP under **Annexure E**.
14. that the Annual Budget for the 2026/2027 MTREF be submitted to National and Provincial Treasuries.
15. that the Service Delivery and Budget Implementation Plans (SDBIP) be submitted to the Executive Mayor within 14 days after approval of the budget and be approved within 28 days.
16. that the draft Performance Agreements be submitted to the Executive Mayor within 14 days after approval of the budget and be made public within 14 days after approval of the SDBIP.
17. that National Treasury and Provincial Treasury be informed that the A-Schedules were generated directly from the National Treasury Database and not the financial system as required.
18. that the Annual Budget with all Annexures be placed on the municipal website.