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- IT BE NOTED THAT UMKHONTO WESIZWE (MK) PARTY DOES NOT AGREE WITH THE REPORT

193. **TABLING OF THE 2026/27 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF).**

(Directorate: Budget and Treasury Office)

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**PURPOSE OF THE REPORT**

The purpose of this report is to table the draft 2026/27 MTREF to Council, in accordance with the requirements of section 24 of the Municipal Financial Management Act 56 of 2003 (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

**RESOLVED:**

**ACTION**

1. That the Council approves the multi-year annual capital and operating budget for the 2026/27 financial year of R7,5 billion and for the two outer years is R8,1 billion and R8,2 billion (2027/28 and 2028/29) as set out in A1 Schedule as Annexure A of the report: -

CC

- 1.1 Table A1 – Budget Summary;
- 1.2 Table A2 – Budgeted Financial Performance;
- 1.3 (Revenue and expenditure by standard classification);
- 1.4 Table A3 – Budgeted Financial Performance;
- 1.5 (Revenue and expenditure by municipal vote);
- 1.6 Table A4 – Budgeted Financial Performance;
- 1.7 (Revenue and Expenditure);

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- 1.8 Table A5 – Budgeted Capital Expenditure by Vote;
- 1.9 (Standard classification and funding);
- 1.10 Table A6 – Budgeted Financial Position;
- 1.11 Table A 7 – Budgeted Cash Flows;
- 1.12 Table A8- Cash backed reserves / accumulated Surplus reconciliation;
- 1.13 Table 9 – Asset Management;
- 1.14 Table 10 – Basic Delivery measurement.

2. That the budget as proposed includes the budget for the Rustenburg Water Services Trust, based on past estimates due to non-submission of the draft budget by the entity despite reminders from the parent municipality. Annexure “E” of the report – Rustenburg Water Services Trust (RWST) Budget Reminders”;

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3. That Council takes note that for the 2026/27 Medium Term Revenue and Expenditure (MTREF) financial year the Revenue and expenditure budget proposed has a surplus before capital expenditure of R876 million, R876 million and R1,1 billion respectively.

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4. That Council takes note that for the 2026/27 Medium Term Revenue and Expenditure (MTREF) financial year the budget proposed has a net surplus after capital expenditure of

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R416 million, R220 million and R528d million respectively.

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| 5.  | That in terms of section 74 of the Local Government Municipal System Act, all consumptive tariffs, Rates, basic charges as proposed are approved for implementation on the 01 July 2026, and are attached as Annexure "B" of the report – TARIFF BOOK'; | CC  |
| 6.  | That the unspent conditional grant at end of 2025/26 not be committed to expenditure until approval has been obtained from National Treasury in accordance with directives from National Treasury Circulars;  | BTO/DTIS/<br>PMU/DRT/DCD  |
| 7.  | That the following proposed budget related policies with amendments are approved for implementation on the 01 July 2026. Policies are attached as Annexure "D" of the report;   | CC  |
| 7.1 | <u>New Budget Related Policy</u><br><br>Unallocated Receipts Policy<br>Fare Policy  |   |
| 7.2 | <u>Budget Related Policies with Amendments;</u><br><br>Cash Management and Investment Policy;<br>Cost Containment Policy;   |  |

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Funding and Reserves Policy;  
Indigent Policy;  
Insurance Loss Control Committee Policy;  
Petty Cash Management Policy;  
Supply Chain Management Policy;  
Travelling and Subsistence Policy

7.3 Budget Related Policies with no Amendments;

Bereavement Policy;  
Indigent Policy;  
Tariffs Policy;  
Property Rates Policy;  
Credit Control and Debt Collection Policy;  
Budget Policy;  
Borrowing Policy;  
Commitment Policy;  
Asset Management Policy;  
Preferential Procurement Policy;  
Electrical Engineering Contributions Policy;  
Expenditure Management Policy;  
Fleet Management Policy;  
Insurance Claims Policy and Procedure;  
Inventory Policy;  
Investment Incentives Policy;  
Rewards, Gifts and Favor Policy;  
Study Aid Policy;  
Unauthorized, Irregular and Fruitless and Wasteful  
Policy

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Accelerated Economic Empowerment and Transformation Policy;  
Supplier Performance Monitoring Policy;  
Corporate Social Responsibility Policy;  
Procedures for the Administration of Traffic Fines Policy

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| 8.  | That Municipal Finance Management Act (MFMA) budget circulars from National Treasury be considered as Annexure "F" and "G" of the report;  | CC  |
| 9.  | That the 2026/27 Medium Term Revenue and Expenditure (MTREF) Forecasts electronic formats be submitted to National and Provincial Treasuries.  | BTO |
| 10. | That the Medium Term Revenue and Expenditure (MTREF) Budget together with the tariffs, budget Related policies be placed on the municipal website and be published in terms of Section 21A and B of the Municipal Systems Act as well as the Municipal Finance Management Act (MFMA) and applicable regulations. | BTO |
| 11. | That the budget is subjected to public participation   | CC  |
| 12. | That the budget per municipal directorate according to our internal municipal structure be considered as Annexure "H" of the report.   | CC  |

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