



**EXTRACT FROM A HYBRID SPECIAL COUNCIL MEETING HELD ON TUESDAY, 31
MARCH 2026**

BCRMC: 0080 DRAFT BUDGET 2026/2027 MTREF

PURPOSE

The Mayor of the Municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year. It is for this purpose that the following item is prepared to Council.

It was thereafter with Councillor P.Sonkwala and Councillor N.Yantolo-Nkonyeni proposing and seconding respectively.

RESOLED

1. **THAT** the Council of Blue Crane Route Municipality, acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003), read together with Sections 23, 24, 25, 26 and 27 of the MFMA: Municipal Budget and Reporting Regulations, takes note of the contents of the following annual budget tables for the financial year 2026/27 as prepared according to the mSCOA version 7.1:
 - Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in BCRM Table A2.
 - Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in BCRM Table A3;
 - Budgeted Financial Performance (revenue by source and expenditure by type) as contained in BCRM Table A4; and
 - Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in BCRM Table A5.
 - Budgeted Financial Position as contained in BCRM Table A6;
 - Budgeted Cash Flows as contained in BCRM Table A7;
 - Cash backed reserves and accumulated surplus reconciliation as contained in BCRM Table A8;
 - Asset management as contained in BCRM Table A9; and
 - Basic service delivery measurement as contained in BCRM Table A10.
2. **THAT** Council notes the contents of the 2026/2027 draft Capital Budget and the following conditions applicable thereto:

- That all Capital expenditure will only be considered / approved and processed on the availability of funds as approved in the final budget; and
 - That no request for quotations, requisitions and/or order must be obtained / processed prior the approval of the availability of funds for any future capital expenditure.
3. **THAT** Council notes all the Supporting documentation included in this draft 2026/2027 MTREF budget reflecting SA1 to SA37, as described by National Treasury.
 4. **THAT** Council notes the MFMA Circular No. 132 and 134, issued in terms of the Municipal Finance Management Act (MFMA).
 5. **THAT** Council notes the recommended tariff structure percentage increases, as follows:
 - Rates – 10%
 - Water, Sewer/Sanitation and Refuse removal services – 6%
 - Electricity, depending on NERSA's approval
 - Domestic Customers conventional and pre-paid 25%
 - Commercial customers 16.32%
 - Industrial customers 16.32%
 - Agricultural 16.32%
 - Fire Levy on conditions that the Municipal Fiscal Powers and Functions Act, 2007 is complied with
 - Garden Refuse Levy on conditions that the Municipal Fiscal Powers and Functions Act, 2007 is complied with
 6. **THAT** Council notes the total draft operational budget as follows:

• Total Operational Expenditure budget for 2025/2026:	R 392 002 812
• Total Operational Revenue budget for 2025/2026:	<u>R 422 981 702</u>
• Total Operational surplus for 2025/2026:	<u>R 30 978 890</u>
• Budgeted Cash Surplus if all non-cash items are considered	<u>R 124 282 381</u>
 7. **THAT** Council notes the total draft Capital Budget as follows:

• Total Capital Expenditure budget for 2025/2026:	<u>R 51 001 250</u>
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 8. **THAT** Council notes the following that was taken in consideration when the draft budget was compiled:

Operational Grants as per Division of Revenue Bill:

Equitable Share	R 72 060 000
Equitable Share- Special Support for councillor remuneration	R 2 909 000
FMG	R 1 430 000
MIG: PMU	R 836 750
MIG: BCRM Integrated Asset Management Plan	R 1 000 000
Library	R 2 524 000
EPWP: National	<u>R 1 369 000</u>

R 82 128 750

The capital expenditure will be funded as follows:

WSIG	R 16 000 000
MIG	R 24 216 250
INEP	R 9 415 000
FMG	R 1 170 000
LIBRARY GRANT	<u>R 200 000</u>
Total Grant Funding	R 51 001 250
Own Funding	R 3 029 725
Insurance Refunds	<u>R 139 230</u>
Total Capital budget	<u>R54 170 205</u>

9. **THAT** Council notes the following budget related policies that are in place and will be reviewed before the adoption by 31 May 2026.

List of Policies

	Blue Crane Route Local Municipality Policies	Policy Status
		No
1	Asset Management	To be reviewed by Council
2	Budget Policy	To be reviewed by Council
3	Cash Management and Payment of Creditors	To be reviewed by Council
4	Cash Reciepit and Banking Policy	To be reviewed by Council
5	Cost Estimation Policy	To be reviewed by Council
6	Framework Policy	To be reviewed by Council
7	Investment Policy	To be reviewed by Council
8	Tarriff Policy Ex Revenue By Law	To be reviewed by Council
9	Fleet Policy	To be reviewed by Council
10	Supply Chain Management	To be reviewed by Council
11	Credit Control and Debt control Policy	To be reviewed by Council
12	Rates Policy	To be reviewed by Council
13	Reduction of Fruitless, Wasteful and Irregular Policy	To be reviewed by Council
14	Borrowing Policy	To be reviewed by Council
15	Funding and Reserve Policy	To be reviewed by Council
16	Long Term Financial Planning	To be reviewed by Council
17	Cost Containment Policy	To be reviewed by Council
18	Contract Management	To be reviewed by Council
19	Petty Cash Policy	To be reviewed by Council
20	Appointment of consultants Policy	To be reviewed by Council
21	Virement Policy	To be reviewed by Council
22	Indigent Policy	To be reviewed by Council
23	Capital Infrastructure Investment Policy	To be reviewed by Council

10. **THAT** Council notes the draft MSCOA Roadmap.

11. **THAT** Council notes the draft procurement plan.

12. **THAT** Council notes that the public participation processes for electricity tariffs should be finalised by the 21 April 2026

13. **THAT** council notes that after the tabling of this budget the local communication is invited to submit representations

14. **THAT** Council notes that the abovementioned MTREF Budget will be submitted to National and Provincial Treasury within the prescribed time frames and placed on the municipal website.

15. **THAT** Council notes that if this budget is not found funded by Treasury, the budget will be re-submitted to Council.

16. **THAT** Council notes that the following forms part of the abovementioned MTREF Budget document and must be signed by the Mayor, the Municipal Manager and the Director: Finance (CFO):

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| Mayor's Report | - signed by the Mayor |
| Executive Summary | - signed by the Director: Finance |
| Extract of Council Resolution | - signed by the Mayor and Municipal Manager |
| Quality Certificate | - signed by the Municipal Manager |

BCRMC: COUNCIL 0080/25-26

SIGNED BY: MZWANDILE PATRICK NINI – MUNICIPAL MANAGER:



DATE: 31/03/26

SIGNED BY SIBUSISIWE SYLVIA PLATYI – SPEAKER:



DATE: 31/03/26