



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE B

APPROVAL FROM MEC FOR THE EXTENSION OF THE DEADLINE FOR THE CONSIDERATION AND APPROVAL OF THE 2026/27 ANNUAL BUDGET

2026/27 BUDGET (MAY 2026)



**Western Cape
Government**

Ministry of Finance

Deidré Baartman | Provincial Minister

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Reference number: PTR 13/5/1 (2026/27)

Enquiries: Keith Roman

Geordin Hill-Lewis
The Executive Mayor
City of Cape Town
Private Bag X9181
CAPE TOWN
8000

Per email: fiona.stewart@capetown.gov.za / sarietha.engelbrecht@capetown.gov.za

Dear Mayor Hill-Lewis

RE: APPLICATION IN TERMS OF SECTION 27 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, ACT 56 OF 2003 (MFMA) AND SCHEDULE G OF THE MUNICIPAL BUDGET AND REPORTING REGULATIONS, 2008 (MBRR) TO EXTEND THE DEADLINE FOR CONSIDERING THE APPROVAL OF THE 2026/27 ANNUAL BUDGET

1. Your correspondence dated 20 May 2026, requesting an extension of the legislative deadline in terms of section 27(2) of the MFMA, to commence with the consideration of the City of Cape Town's ("the City") 2026/27 annual budget for approval at least 30 days before the commencement of the financial year, refers.
2. The city has indicated that additional time is required to facilitate supplementary and targeted public participation on proposed amendments to the tabled budget, with a view to ensuring adequate stakeholder consultation and transparency in the budget finalisation process. The reason for the extension is to avoid the 2026/27 Budget from being legally challenged on the same basis that the City's 2025/26 Budget was challenged.
3. In considering the Municipality's request, cognisance has been taken of the provisions of the MFMA (section 27(2), which empowers the MEC for Finance, upon application by the Mayor and on good cause shown, to extend certain prescribed timeframes relating to the municipal budget process, provided that such extension does not compromise compliance with section 16(1) of the Act. The MFMA further requires that any such extension be carried out within the prescribed legislative framework and that the National Treasury be informed, in writing, of the extension granted and the reasons therefor.
4. I hereby take note of the City's motivation that the requested extension is intended to strengthen the quality and inclusiveness of public participation relating to the proposed amendments to the budget. In addition, I acknowledge the importance of meaningful public engagement and transparent consultation processes in supporting credible, responsive and legally compliant municipal budgeting.

5. While adherence to the statutory timelines prescribed by the MFMA remains of fundamental importance to sound financial governance, I am satisfied that, in the present circumstances, the City has advanced reasonable grounds in support of the requested extension, in order to afford affected stakeholders a further opportunity to consider and comment on the proposed amendments before the final adoption of the budget. **I hereby grant the City an extension of the legislated deadline in terms of section 24(1) of the MFMA up to 30 June 2026, in my capacity as MEC for Finance: Western Cape.**
6. Notwithstanding the above, the city is strongly encouraged to take all reasonable steps to consider and approve the annual budget at the earliest possible opportunity. This is to ensure that, should the budget not be approved at such Council meeting, the City would still have sufficient time to follow the provisions of section 25(1) of the MFMA prior to 30 June 2026 extension deadline. The outcome of the Council meeting(s) at which the budget is considered for approval should be communicated to my office without delay.
7. You are reminded that should the City fail to approve the annual budget by 30 June 2026, you are required to comply with section 55 of the MFMA by 1 July 2026 as per section 25(3) of the MFMA. Furthermore, the Provincial Executive *must* intervene in terms of section 139(4) of the Constitution if the 2026/27 Budget is not approved by 30 June 2026. National Treasury has also indicated that should the budget not be adopted before the start of the financial year, the City will become ineligible for the incentive component of the Metro Trading Services Reform Programme.
8. Should you require any further clarification or assistance, please do not hesitate to contact my office.

Yours faithfully,


DEONRÉ BAARTMAN
MEC FOR FINANCE
DATE: 25 May 2026

CC. Mr. A Bredell: MEC for Local Government, Environmental Affairs and Planning - Western Cape Government
Ms. J Gantana: Provincial Treasury (Head of Department)
Mr. G Paulse: Local Government (Head of Department)
Mr. J Hattingh: National Treasury (Chief Director: LG Budget Analysis)