

REPORT TO: CITY MANAGER
EXECUTIVE MAYOR

NON-CONFIDENTIAL

1. ITEM NUMBER

2. SUBJECT

DRAFT BUDGET 2026/27 – 2028/29 - SUPPLEMENTARY PUBLIC PARTICIPATION PROCESS EMANATING FROM THE WESTERN CAPE HIGH COURT JUDGMENT ON 30 APRIL 2026

ONDERWERP

KONSEPBEGROTING 2026/27 – 2028/29 – AANVULLENDE OPENBAREDEELNAMEPROSES VOORTSPRUITEND UIT DIE WES-KAAPSE HOOGGEREGSHOF SE UITSPRAAK OP 30 APRIL 2026

ISIHLOKO

UHLAHLO LWABIWOMALI OLULUYILO LOWAMA2026/27 – 2028/29: INKQUBO YENTATHONXAXHEBA YOLUNTU EYONGEZELELWAYO EPHUMA KWISIGWEBO SENKUNDLA EPHAKAMILEYO YENTSHONA KOLONI SANGOWAMA30 KUTSHAZIIMPUZI 2026

S3327

3. DELEGATED AUTHORITY

In terms of delegation

This report is for NOTING AND SUPPORT

☒ Municipal Manager

☒ The Executive Mayor

4. DISCUSSION

The 2026/27 Draft Budget was tabled for public participation from 31 March 2026 to 30 April 2026. On 30 April 2026, the Western Cape High Court issued a summary judgment against the City of Cape Town, attached as Annexure C, declaring the city-wide cleaning, water, and sewerage fixed charges unlawful and invalid. The Court further ordered that these charges be set aside with effect from 30 June 2026.

Following extensive consultation with legal counsel and other stakeholders, a decision was taken not to appeal the ruling and to implement the necessary amendments to the 2026/27 March Tabled Budget.

This necessitated an application in terms of Section 27 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), and Schedule G of the Municipal Budget and Reporting Regulations, 2008, to extend the deadline for the consideration and approval of the 2026/27 annual budget. The extension was required to enable supplementary and targeted public participation on the proposed amendments to the tabled budget, ensuring adequate stakeholder consultation and transparency in the budget finalisation process. The purpose of the extension was to mitigate the risk of the 2026/27 Budget being legally challenged on the same grounds as the City's 2025/26 Budget. Approval for the extension was granted on 25 May 2026 and is attached as Annexure B.

As the amendments to the 2026/27 March Tabled Budget arise solely from the court judgment and do not constitute a new budget, there is no requirement to table these changes before Council. The proposed amendments will instead be published for comment as part of a supplementary public participation process from 27 May 2026 to 10 June 2026. The proposed amendments, as contained in Annexure A, will be advertised, inviting public comments on these amendments for consideration.

In terms of Section 22 of the MFMA, the City Manager (as delegated to the CFO in terms of City Manager statutory delegations) will make public the amendments to the 2026/27 March Tabled budget as part of a supplementary public participation process and invite the local community to provide comments thereon.

4.1. Financial Implications ☒ None ☐ Opex ☐ Capex
☐ Capex: New Projects
☐ Capex: Existing projects requiring additional funding
☐ Capex: Existing projects with no Additional funding requirements

4.2. Policy and Strategy ☐ Yes ☒ No

4.3. Legislative Vetting ☒ Yes ☐ No

4.4. Legal Implications ☒ Yes ☐ No

4.5. Staff Implications ☐ Yes ☒ No

4.6. Risk Implications ☒ Yes The risks for approving and/or not approving the recommendations are listed below:

Approval of this report is required to ensure supplementary public participation can proceed within the timelines identified to have the annual budget approved before the start of the new financial year.

☐ No Report is for decision and has no risk implications.

☐ No Report is for noting only and has no risk implications.

POPIA Compliance ☒ Yes It is confirmed that this report and the content of the annexures have been checked and considered for POPIA compliance.

4.7. Confidentiality Compliance ☒ Yes

It is confirmed that this report and the content of the annexures have been checked and considered for Confidentiality compliance.

5 RECOMMENDATIONS

City Manager

It is recommended that:

The City Manager notes that the amendments to the 2026/27 March Tabled Budget and related policies (Annexure 2, Annexure 4, Annexure 5, Annexure 6, Annexure 7, Annexure 8 and Annexure 9) will be subjected to a supplementary public participation process, which will run from 27 May 2026 to 10 June 2026, with the anticipated date of approval set for 29 June 2026.

Executive Mayor

It is recommended that:

The Executive Mayor supports that the amendments to the 2026/27 March Tabled Budget and related policies (Annexure 2, Annexure 4, Annexure 5, Annexure 6, Annexure 7, Annexure 8 and Annexure 9) be subjected to a supplementary public participation process, which will run from 27 May 2026 to 10 June 2026, with the anticipated date of approval set for 29 June 2026.

AANBEVELINGS

Stadsbestuurder

Daar word aanbeveel dat:

Die stadsbestuurder kennis neem dat die wysigings aan die 2026/27-begroting wat in Maart ter tafel gelê is en die verbandhoudende beleide (bylae 2, bylae 4, bylae 5, bylae 6, bylae 7, bylae 8 en bylae 9) aan 'n aanvullende openbaredeelneproses onderworpe sal wees wat van 27 Mei 2026 tot 10 Junie 2026 sal plaasvind, met die verwagte goedkeuringsdatum gestel op 29 Junie 2026.

Uitvoerende burgemeester

Daar word aanbeveel dat:

Die uitvoerende burgemeester steun verleen dat die wysigings aan die 2026/27-begroting wat in Maart ter tafel gelê is en die verbandhoudende beleide (bylae 2, bylae 4, bylae 5, bylae 6, bylae 7, bylae 8 en bylae 9) aan 'n aanvullende openbaredeelnamesproses onderworpe sal wees wat van 27 Mei 2026 tot 10 Junie 2026 sal plaasvind, met die verwagte goedkeuringsdatum gestel op 29 Junie 2026.

IZINDULULO

UMphathi weSixeko

Kundululwe ukuba:

UMphathi weSixeko makaqwalasele ukuba izilungiso kuhlalo lwabiwomali olungenisiweyo kweyoKwindla lowama2026/27 kunye nemigaqonkqubo enxulumene noko (isihlomelo 2, isihlomelo 4, isihlomelo 5, isihlomelo 6, isihlomelo 7, isihlomelo 8, nesihlomelo 9) ziza kuxhomekeka kwinkqubo yentathoxaxheba yoluntu eyongezelelweyo, eya kuqala ngowama27 kuCanzibe 2026 ukuya kowe10 kweyeSilimela 2026, kwaye umhla omiselweyo wokuziphumeza uqikelelwa kowama29 kweyeSilimela 2026.

USodolophu weSigqeba

Kundululwe ukuba:

USodolophu weSigqeba makaxhase ukuba izilungiso kuhlalo lwabiwomali olungenisiweyo kweyoKwindla lowama2026/27 kunye nemigaqonkqubo enxulumene noko (isihlomelo 2, isihlomelo 4, isihlomelo 5, isihlomelo 6, isihlomelo 7, isihlomelo 8, nesihlomelo 9) ziza kuxhomekeka kwinkqubo yentathoxaxheba yoluntu eyongezelelweyo, eya kuqala ngowama27 kuCanzibe 2026 ukuya kowe10 kweyeSilimela 2026, kwaye umhla omiselweyo wokuziphumeza uqikelelwa kowama29 kweyeSilimela 2026.

ANNEXURES

- Annexure A:** Amendments to 2026/27 March Tabled Budget - May 2026
- Annexure B:** Approval from MEC for the extension of the deadline for the consideration and approval of the 2026/27 annual budget.
- Annexure C:** Western Cape High Court Judgment – 30 April 2026
- Annexure 2:** Draft Property Rates (Tax) Rates 2026/27 - Amended
- Annexure 4:** Draft Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Generation and Distribution, Water and Sanitation and Urban Waste Management Services - Amended
- Annexure 5:** Draft Rates Policy 2026/27 - Amended
- Annexure 6:** Draft Tariffs, Fees and Charges Book - Amended
- Annexure 7:** Draft Tariff Policies - Amended
- Annexure 8:** Draft Credit Control and Debt Collection Policy - Amended
- Annexure 9:** Draft Indigent Policy - Amended

FOR FURTHER DETAILS CONTACT

NAME	Carl Stroud	CONTACT NUMBER	082 922 8990
E-MAIL ADDRESS	CARLWILLIAM.STROUD@CAPETOWN.GOV.ZA		
DIRECTORATE	Finance	FILE REF No	CV2668
SIGNATURE : DIRECTOR	Carl Stroud Digitally signed by Carl Stroud Date: 2026.05.26 13:00:12 +02'00'		

CHIEF FINANCIAL OFFICER

NAME KEVIN JACOBY

DATE

SIGNATURE

 Digitally signed by Kevin Jacoby
Date: 2026.05.26 13:19:23 +02'00'

MAYORAL COMMITTEE MEMBER

NAME

CLLR SISEKO MBANDEZI

COMMENT:

DATE

SIGNATURE

Cllr Siseko Mbandezi (DA) Digitally signed
by Cllr Siseko Mbandezi (DA)
Date: 2026.05.26 18:27:02 +02'00'

LEGAL COMPLIANCE

☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

☐ NON-COMPLIANT

NAME

COMMENT:

DATE

Certified as legally compliant based on the contents of the report.

SIGNATURE

 Digitally signed
by Jason Sam Liebenberg
Date: 2026.05.26 14:35:38 +02'00'

Making progress possible. Together.

MUNICIPAL MANAGER

NAME LUNGELO MBANDAZAYO



Noted

DATE

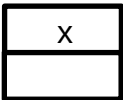
COMMENT:

SIGNATURE



EXECUTIVE MAYOR

NAME GEORDIN HILL-LEWIS



Supported

Not Supported

DATE

COMMENT:

SIGNATURE

