MINUTES OF AN VIRTUAL ORDINARY COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON THURSDAY, 29 JANUARY 2026 AT 10:00 AM

PRESENT: Councillors	J Alexander	
	C August	
	Ald D Benson	
	H Bornman	(Executive Mayor)
	B Dhludhlu	
	R Foley	
	W Gertenbach	
	V Gunuza	
	A Hendricks	
	F Heystek	
	T Jantjes	(Deputy Executive Mayor)
	L Maree	(Speaker)
	M Mbandana	
	E Mbuqu	
	B Moos	
	K Ndzelani	
	M Nicholls	
	L Nkilishane	
	N Ntengwane	
	N Ntshota	
	P Oliphant	
	W Petersen	
	C Pietersen	
	S Ruth	
	G Stuurman	
	M Valgee	
	W van der Linde	
	M van Niekerk	
	M Yali	
	V Zana	

Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	D de Jager	(Deputy Municipal Manager)
	R Lorgat	(CFO)
	N Machelesi	(Director: Community Services)
	C de Kock	(Director: Civil & Water Services)
	T Madatt	(Director: Electro-Mechanical Services)
	L Ramakuwela	(Director: Planning & Development)
	L Opperman	(Manager: Legal Services)
	M Rossouw	(Manager: Administration & Auxiliary Services)

Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully

contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

2. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting in terms of Section 19 of the Local Government: Municipal Systems Act,2000 (Act No.32 of 2000) that an Ordinary Council Meeting will be held virtually on 29 January 2026 at 10:00 a.m.

3. **OPENING AND WELCOME**

The Speaker welcomed everyone present to the meeting and requested Cllr Foley to open with a prayer.

3. **ABSENT WITH LEAVE**

Cllr Mbandana

4. **ABSENT WITHOUT LEAVE**

None

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr van der Linde conveyed appreciation for the protection of the community during the fires, thanked municipal leadership and staff for their support, and acknowledged the unity demonstrated by residents. He expressed gratitude for being part of the Kouga community.

Cllr Yali congratulated Jeffreys Bay Comprehensive School's Class of 2025 on their 78.6% matric pass rate, commended Ms. Noluthando Bans for her provincial recognition, and wished the Class of 2026 success.

Cllr W Petersen congratulated commended the Greater Humansdorp, Arcadia/Kruisfontein community for establishing a new forum, expressed concern regarding Councillor attendance, and conveyed condolences to families affected by the Sea Vista fire.

Cllr Nkilishane congratulated the Class of 2025, with specific recognition of Ms. Noluthando Bans, commended learners from disadvantaged communities, thanked the EFF supporters in East London, and noted the upcoming rally in April 2026.

Cllr Ntshota commended firefighters for their swift response in Sea vista, and thanked Mr F van Rooyen for providing relief to affected families in Sea vista.

Cllr Zana congratulated Hankey on its 200th anniversary, the Eastern Cape Sunrisers on their Pro20 victory, Patensie Agricultural High School matriculants on their improved performance, South Africa on hosting the 2027 World Economic Forum Special Meeting, and the Department of Tourism on increased tourist arrivals.

Cllr Ndzelani congratulated Lungiso High School on the achievements of the Class of 2025, noting their 82.4% matric pass rate. He emphasized the challenges faced by the school and commended their perseverance in attaining this success, making them the second-highest performing school in Kouga. He further acknowledged the firefighters for their efforts in combating fires since January, recognizing their dedication in protecting the community.

Cllr Oliphant concurred with Cllr Ndzelani in congratulating Lungiso High School on their improved performance. He noted that the Class of 2024 achieved a 55% pass rate, while the Class of 2025 increased significantly, placing the school second in Kouga. He emphasized that the school serves some of the most disadvantaged communities and commended the teachers for their dedication, including providing extra classes and ensuring the safety of learners. He expressed hope that the Class of 2026 will build on this achievement and continue to progress.

Cllr Stuurman congratulated the Commission on Khoisan Matters for their presence in the Eastern Cape in December 2025. He expressed appreciation that the Commission will exercise its mandate under Act 3 of 2019 and conveyed gratitude for their work.

Ald Benson thanked the Department of Community and Safety Services, Fire Chief Mr D Barnard, Municipal officials, firefighters, assisting Municipalities, and role players for their contributions during the recent fire. He also expressed gratitude to God and urged continued prayers for rain.

Cllr Alexander congratulated learners from Jeffreys Bay Comprehensive and Humansdorp Secondary School, extended condolences to the family of Liyolo Wakeni and to families in Ward 4-5 who lost senior citizens, and congratulated Humansdorp Cricket Club, Hankey Rugby Club, Jeffreys Bay Rugby Club, and Kruisfontein United Rugby Club on their achievements.

Cllr Heystek thanked the Fire Department, community, private sector, and security industry for their united response and assistance during the recent fire.

7. STATEMENTS OR COMMUNICATIONS BY THE SPEAKER

Honorable Mayor and Members of the Council, Officials, Online Guests, colleagues,

Good Morning

As we enter the new year, I would like to extend my sincere thanks to our municipal staff for their dedication during an exceptionally busy festive season. Many staff members went above and beyond the call of duty to ensure that our beaches were prepared and safe for early morning beachgoers.

I must also express my heartfelt gratitude to the many volunteers who assisted during the recent fires. It is a true privilege to live in a village where the community comes together so selflessly in times of need. Nearly 150 people hydrated and fed from St Francis Bay fire station while operations continued for almost a week. I also witnessed outstanding skill from the pilots and extraordinary bravery from the ground crews. To the unseen heroes in the back, I solute you.

I wish everyone a very prosperous year ahead.

Thank you,

8. STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR

The Executive Mayor welcomed the Mayoral Committee, Councillors, the Municipal Manager, and Directors. He thanked the Acting MM, Directors, staff, and residents for ensuring a successful December holiday season, noting the positive impact of tourism on the local economy and livelihoods. He highlighted challenges with water supply from the Kromriver system, explaining that allocations have not increased in 12 years and that December's peak demand exposed management issues. He commended municipal teams for their communication and conservation efforts and stated that the municipality will engage the Department of Water and Sanitation to reconsider management of the scheme.

The Executive Mayor expressed gratitude to firefighters, municipal staff, residents, and stakeholders for their collective response to recent fires, acknowledging contributions ranging from supplies to financial support. He congratulated matriculants, particularly Ms. Noluthando Bans, for outstanding achievements, and noted overall improvement in school performance. He encouraged support for the adjustment budget, emphasizing its role in enhancing service delivery, repairs, and maintenance. Finally, he addressed the WSL event, clarifying that Council had entered a three-year contract beginning in 2024, with provincial and national government also engaged, and reaffirmed the municipality's commitment to factual transparency.

In closing, the Executive Mayor reiterated the Municipality's commitment to the international event, stressing that its economic and social impact is well understood, and that the municipality would never act to undermine it. He expressed sadness that the event will not take place this year, citing insufficient national support, but assured council that efforts are underway with local organizers to arrange alternative activities for the winter holiday season. He pledged to bring any proposals for municipal involvement to council once details are finalized. The Executive Mayor concluded by thanking the Speaker for leadership and support during the festive season, noting his appreciation for the delegations entrusted to him.

9. DISCLOSURE OF INTEREST

None.

10. STATUTORY MATTERS

None.

11. MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING FOR INFORMATION

None

12. CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

12.1 MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON 11 DECEMBER 2026

Cllr Gertenbach referred to page 9 of the minutes and raised concern regarding matters arising from the previous meeting. He questioned whether the ANC caucus had considered the conduct and continued presence of a specific Councillor in the current proceedings.

Cllr Ndzelani noted a correction on page 21, item 25/12/MM3, where the spelling of "Kwa-Nomzamo Wastewater Treatment" was recorded incorrectly.

Resolved: (29 January 2026)

1. That the amended Minutes of an Ordinary Council meeting held on 11 December 2025 be approved.

Proposed: Cllr Zana Seconded: Cllr Yali

13. REPORTS OF COMMITTEES OF COUNCIL

13.1 REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE

None

The Speaker noted that a meeting had taken place in early December and indicated that a request for information had been sent via email to Cllr Gunuza. The Speaker asked whether Cllr Gunuza could provide an update on reports from Sarah Baartman District Municipality, or alternatively whether another member of the committee could supply the minutes, as it was understood that some Councillors had already received them.

Cllr Zana raised a point of procedure, stating that verbal presentations should not be permitted in circumstances where a formal report has not been received. He emphasized that representatives or employees of Kouga Municipality attending meetings in Sarah Baartman District Municipality must compile and submit a written report on matters of relevance to Kouga. He noted that a resolution had previously been taken on this matter and requested that Council ensure proper reports are provided rather than verbal accounts.

13.2 KOUGA AUDIT COMMITTEE

26/01/KAC1 MINUTES OF THE KOUGA AUDIT COMMITTEE

Mr. de Lange welcomed a new member of the Audit and Risk Committee, noting his expertise in ICT, finance, and corporate services. He reported on the 8 October 2025 meeting with the Auditor-General(AG), describing it as one of the most important engagements of the financial year. The AG outlined the audit strategy, emphasizing Personal Protective Equipment (PPE) expenditure, infrastructure, supply chain management, and performance reporting, and highlighted the growing national focus on Municipal service delivery performance.

Mr. de Lange congratulated the Municipality on presenting financial statements that were commended as among the best seen in years. He noted areas requiring attention, including access to internal audit working papers, improved collaboration between auditors and the AG, and enhancements to risk management.

He reported on discussions of overtime policy, Information and Communications Technology (ICT) and cyber security, and the rollout of a new cyber solution expected by November 2025. He observed that the municipality had advanced in internal audit maturity, with financial reporting remaining stable and credible. Mr. de Lange recommended that Council support a formal communication protocol with the AG, endorse fraud risk management improvements, approve an artificial intelligence usage policy, and amend the Audit and Risk Work Plan to align with performance reporting. He confirmed that the Audit Committee and Internal Audit Charters had been approved and tabled the Audit and Risk Committee Annual Report, noting strong corporate governance and accountability.

Cllr Nkilishane raised concerns drawn directly from the Audit Committee minutes. He asked the Chairperson to clarify the earmarked closure of the First National Bank(FNB) account, including what risk assessment was undertaken and whether this risk was formally recorded in the Municipal Risk Register, stressing that such matters must be treated as governance risks given the scale of municipal cash flows.

He then sought clarity on the reference to cost coverage challenges, asking what coverage means in this context, whether it poses a sustainability risk to the municipality, and what corrective actions have been recommended. Lastly, he referred to Development Bank of Southern Africa (DBSA) loan of R200 million, noting that only R20 million has been spent while repayments are already being made, and requested further explanation.

Mr de Lange explained that municipalities must go out on tender for banking accounts every three to five years, with the Tender Evaluation Committee assessing bids against cost-effectiveness and risk criteria. He clarified that cost coverage is one of the financial ratios required by National Treasury in performance reporting, and no risks or variances were flagged to the Audit Committee. On the DPSA loan, he stated that management would need to provide details, noting that R20 million of the R200 million loan had been spent while repayments were already occurring. He concluded by stressing the importance of the Local Labour Forum in addressing human resource policies and staff-related matters, as regularly highlighted by the Audit Committee.

The CFO confirmed that Phase 1 was underway, Phases 2 and 3 are at evaluation and expected to be awarded in February, with service providers on site shortly thereafter. Phase 4 awaits departmental instruction. An amount of R25 million from the DBSA allocation was spent in the previous financial year, with further expenditure expected in the next quarter.

Cllr Zana queried whether the Auditor-General's lack of access to internal audit working papers applied only to the past financial year or also to the previous year. He welcomed the confirmation that service delivery performance reporting will be strengthened, noting alignment with The African National Congress (ANC) calls for ward-based priorities.

Cllr W Petersen requested that the expenditure of the DBSA loan be expressed in percentage terms and that Council be provided with details of the wards in which this expenditure was applied.

Mr de Lange stated that the matter of internal audit working papers is not a breakdown but reflects the need for improved collaboration and exchange of information between internal and external audit.

The CFO reported that, as at the end of December, 15% of the road's allocation had been spent. He noted that additional invoices were being processed in January, which would increase expenditure. He indicated that the Director: Civil and Water Services would provide details regarding the allocation of funds across wards.

Resolved: (29 January 2026)

1. That the minutes of the Kouga Audit Committee meetings held on 8 October 2025, along with the Matters Arising Register be noted.

13.3 RULES & ETHICS COMMITTEE

None

13.4 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

None

13.5 MUNICIPAL BY - LAWS AND POLICIES

None

14. REPORT BACK: MUNIMEC

None

15. REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER

26/01/MM1 KOUGA MUNICIPALITY: DRAFT: 2024/25 ANNUAL REPORT

Cllr Nkilishane observed that the annual report reflects a clean audit and strong compliance with legislation but warned that this should not be mistaken for genuine improvements in residents' lives. He highlighted that the indigent register is declining even though poverty is not, raising concern that many poor households are excluded from free basic services. He asked the Municipal Manager to clarify the equitable share allocation, its application to indigent households, revenue received, and the handling of unpaid debt. He questioned whether debt write-offs provide real relief or simply adjust the books while households remain disconnected.

He further noted that while the report emphasizes infrastructure and growth, it provides little evidence of measurable improvements in informal settlements, backyard dwellings, and rural communities. He concluded that although Kouga may be administratively sound, poverty, unemployment, and land access challenges remain, and the true test of the annual report is whether the poorest residents are living better than they were a year ago.

Cllr Zana noted that a workshop has been scheduled for 6 February. He expressed concern that such workshops appear to be arranged by the administration without prior resolution of council, which is the highest decision-making body of the Municipality. He emphasised that, in terms of protocol, Council should first decide whether a workshop is to be convened before any administrative communication is issued.

He further stated that the ANC component would not engage substantively with the annual report at this stage but would merely note the report. Full engagement would take place once the matter is formally referred to Council and, thereafter, during the workshop. Cllr Zana highlighted that in Kouga there have been instances where decisions are implemented without Council's knowledge and stressed that this practice undermines Council's authority.

Accordingly, he formally proposed that the annual report be referred to Council for resolution. The ANC component will then participate fully in the workshop discussions once Council has authorised the process.

Cllr Oliphant concurred with the Chief Whip's remarks and acknowledged the input of the EFF as raising valid realities. He proposed that these matters be reserved for discussion during the workshop, with the aim of enabling council to return thereafter speaking in one voice and endorsing a document reflecting a uniform approach.

Cllr van der Linde noted the workshops scheduled for 6 and 9 February 2026 is to scrutinise the annual report. He highlighted the increase in building plans received in 2024/25 and raised concern about key risks identified, including water shortages, bulk infrastructure, waste-treatment plants, skills shortages, and vandalism, questioning their categorisation under Local Economic Development (LED).

He recommended that LED and Finance be separated into distinct directorates, with LED requiring specialist focus, and suggested engaging national departments to establish a technical college in Kouga to address skills development.

Further concerns were raised regarding water testing results marked in red (page 212) and discrepancies in KPI 3 (page 261) relating to SMME, EPWP, and PPP outputs despite no budget allocations. In conclusion, he emphasised the importance of addressing issues affecting women in Kouga, urging collective action to restore dignity and opportunities for women, which he stated would benefit the wider community.

The CFO addressed the issue of Municipal debt write-offs, explaining that assessments were conducted for properties valued below R400,000, targeting households in sub-economic areas. A full report was submitted to Council, and the write-offs addressed outstanding accounts of poor households. The CFO noted that the indigent policy allows for immediate debt write-off when new account holders are registered as indigents. However, many indigents fail to register despite outreach sessions, limiting the municipality's ability to assist.

He clarified that account blocking and debt write-offs are separate issues, with blocking occurring when accounts accumulate debt beyond the free allocations, particularly due to water consumption exceeding the free allocation. He confirmed that policies remain aligned to supporting poor households, with significant changes implemented in July following Council's approval of the revised indigent policy.

On the matter of Finance and Economic Development being housed in one directorate, the CFO stated that Kouga Municipality is frequently commended at the South African Local Government Association (SALGA) and provincial platforms for its practices, though the structural arrangement remains a Council decision.

Addressing concerns raised on page 261 of the annual report, the CFO explained that the achievements recorded relate to targets rather than budget allocations. He reported that 441 SMMEs were supported through training initiatives, involvement in capital projects, and subcontracting requirements, with Kouga reducing the threshold for mandatory subcontracting from R30 million to R5 million. He emphasised that budget allocations were primarily for facilitation, while the achievements reflect the number of SMMEs supported.

The CFO further reported that 1,473 job opportunities were created through the Expanded Public Works Programme (EPWP), exceeding planned targets due to increased capital budgets and local employment opportunities. He noted that formal reporting mechanisms are in place, with monthly submissions to the Department of Cooperative Governance and Traditional Affairs. Regarding Public-Private Partnerships (PPP), he explained that achievements are quantified by the number of job opportunities created through such partnerships.

In conclusion, the CFO emphasised that these achievements are facilitation-driven, aligned with current budgets, and not directly linked to specific allocations within Economic Development.

The Municipal Manager noted that discussions regarding dams, as raised by Cllr van der Linde, are already underway at various platforms where the Municipality is represented. He confirmed that these matters are actively being addressed. He further emphasised that Councillors would have full opportunity to scrutinise the annual report and raise detailed questions during the scheduled workshops, where all departments and managers will be present to provide responses.

The Municipal Manager confirmed that the reported number of building plans includes submissions for new houses, renovations, and rectifications. He noted that further scrutiny of this matter could be undertaken during the workshops when the relevant department is present. On water quality, he explained that overall results for the year were excellent, with occasional failures attributed to aesthetic factors such as colouring, rather than issues affecting safety or compliance with key standards.

The Director: Civil and Water Services referred to page 211 of the annual report, noting that the percentage of compliant water samples reflected the previous financial year when a service provider failed to meet required standards. As soon as this was identified, the municipality initiated corrective processes, but the provider did not comply, and the contract was terminated. A supplementary service provider was immediately appointed, resulting in compliance levels being restored to acceptable norms by the latter part of the year.

He explained that water compliance reporting includes chemical, bacteriological, and biological analyses, combined with aesthetic factors, which together determine the overall percentage. He confirmed that under the current service provider, compliance levels are consistently above 95%. The report therefore reflects the conditions under the previous provider, which have since been rectified.

Cllr Zana requested an ANC caucus of 5 minutes.

The Speaker granted the caucus from 11:45 – 11:53.

Cllr Zana announced that ANC Councillors had resolved to leave the meeting in protest perceived injustices in Weston. He concluded by confirming that ANC councillors would withdraw from the meeting to engage with the community.

The Speaker acknowledged the ANC Councillors' intention to leave the meeting and granted them the opportunity to do so. She confirmed that once they had exited, she would check whether a quorum remained to determine if the meeting could continue.

Cllr Nkilishane announced that the EFF Councillors would also leave the meeting.

The Speaker informed Councillors that a roll call would be conducted to confirm whether a quorum remained following the departure of Councillors.

J Alexander	Present
C August	Present
Ald D Benson	Present
H Bornman	Present

B Dhludhlu	Present
R Foley	Present
W Gertenbach	Present
V Gunuza	Walk Out
A Hendricks	Present
F Heystek	Present
T Jantjes	Present
L Maree	Present
M Mbandana	Apology
E Mbuqu	Walk Out
B Moos	Present
K Ndzelani	Walk Out
M Nicholls	Present
L Nkilishane	Walk Out
N Ntengwane	Walk Out
N Ntshota	Walk Out
P Oliphant	Walk Out
W Petersen	Walk Out
C Pietersen	Present
S Ruth	Present
G Stuurman	Present
M Valgee	Present
W van der Linde	Present
M van Niekerk	Present
M Yali	Walk Out
V Zana	Walk Out

Resolved: (29 January 2026)

1. That in terms of the provisions of Section 127 (2) of the Local Government Municipal Finance Management Act, 56 of 2003, the submission of the Draft 2024/25 Annual Report be noted.

2. That in terms of the provisions of Section 127 (5)(a) of the Local Government Municipal Finance Management Act, 56 of 2003, the Draft 2024/25 Annual Report be made public, and the local community be invited to make presentations in connection with the Draft 2024/25 Annual Report.

3. That in terms of the provisions of Section 127 (5)(b) of the Local Government Municipal Finance Management Act, 56 of 2003, the Draft 2024/25 Annual Report be submitted to the Auditor General, Provincial Treasury and the Provincial Department of Cooperative Government and Traditional Affairs.

4. That in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003, the Draft 2024/25 Annual Report be submitted to the Municipal Public Accounts Committee for purposes of preparing an Oversight Report on the Draft 2024/25 Annual Report for submission to Council by not later than 31 March 2025.

5. That the Annual Financial Statements on Annexure U be noted.

6. That the Auditor General's report, in terms of Section 126 (3) of the Local Government Municipal Finance Management Act, 56 of 2003, on the Annual Financial Statements, be noted.

7. That the Audit Correction plan, on Chapter 6 Section 6.3 be approved.

26/01/MM2 **MID-YEAR INSTITUTIONAL PERFORMANCE REPORT: 2025/26 FINANCIAL YEAR: PERIOD 1 JULY 2025 TO 31 DECEMBER 2025**

Cllr Alexander raised concerns regarding several items in the adjusted budget. He noted that expenditure on sport facilities reflected 0% and requested that administration specify which facilities are included to ensure clarity. He further highlighted unspent allocations for the fiscal upgrade and sought details on the upgrading of gravel roads, requesting identification of the specific areas and wards affected. He pointed out that the Kruisfontein upgrade of the Gill Marcus bulk water reservoir pipeline has been stalled for several months and requested an update on its progress. Finally, he observed that R1 million allocated for security cameras remained unspent despite serious crime challenges in certain wards, urging departments to expedite utilisation of the funds.

Cllr van der Linde expressed concern regarding under-delivery in the SDBIP noting significant backlogs in sanitation, piped water, wastewater, electricity, and refuse removal. He requested an explanation for these delays, warning that failure to meet targets poses serious risks to municipal infrastructure. He further highlighted zero percent spending on capital projects, including sport field upgrades at Loerie and Phillipsville, as well as unspent allocations for road infrastructure. He stressed that by mid-year at least 50% of the budget should have been spent and questioned the lack of progress.

He also referred to service performance indicators, many of which were reflected in red and orange, and asked whether the Municipality would realistically meet its targets before year-end, cautioning against underspending and the potential loss of funds.

The Municipal Manager highlighted that the Municipality is currently managing the largest capital expenditure budget in its history, with internally funded projects dominated by the roads programme. Phase one was reported to be underway, with phases two and three commencing shortly, which would accelerate expenditure. Reference was made to the Municipal Disaster Recovery Grant (MDRG) fund, amounting to just over R10 million, with challenges including an underperforming contractor requiring termination and pending provincial permissions for road works on the Da Gama and St Francis roads.

It was further reported that mid-funding utilisation stood at approximately 44%, with projects progressing responsibly despite start-stop processes. The battery project, valued at over R20 million, was noted to have recorded 13% expenditure to date, with major lead items ordered and expected by March. Payments would only be affected once delivery and certification by engineers confirmed compliance. It was acknowledged that certain outgoing allocations remained insufficient and that challenges persisted, but expenditure was being monitored closely to ensure responsible utilisation.

The Director: Civil and Water Services reported that limited progress was made during the festive season (15 December 2025 to mid-January 2026), with the report reflecting up to Quarter 2 closure. Road's infrastructure expenditure for Phases 2–3 was expected in Quarter 3–Quarter 4 and Quarter 1 of the new Financial Year. Phase 1, valued at approx. R60m, was underway with construction in the CBD and invoices beginning to flow.

The sports facilities upgrade budget of R595,000 was noted. Only one tender was received, which was excessively high, requiring cost verification and scope reduction. The matter was with the Bid Specification Committee (BSC), while minor repairs at Loerie facilities were progressing via request for quotation (RQF). The Seekoei causeway project faced internal challenges, though provincial funding from the previous year was fully spent, with final payments pending. The Jeffreys Bay CBD progress was positive, with contracts in place, though implementation was delayed in December 2025 due to festive season impacts. The Phillipsville Sports field project was out on tender, referred to the Supply Chain Evaluation Meeting (SEM)on 25 February 2026, with implementation anticipated by early March 2026.

The CFO explained that the discrepancies noted on pages 687 and 688 related to annual targets, which must be corrected through the SDBIP amendment process following the adjustment budget. It was indicated that the Executive Mayor may approve such amendments before submission to Council.

The CFO referred to the target of 24,552 residential properties for refuse removal, while the actual billing report reflected 18,869. The discrepancy was explained as arising from billing practices for complexes, where one account covers multiple units. Approximately 253 complexes, comprising 4,000–4,500 units, were noted as contributing to this variance. The CFO emphasised the need to decide whether reporting should be aligned to individual properties or service units.

Further reference was made to electricity reporting, where 26,507 residential units were reflected, but discrepancies arose due to bulk supply to complexes being counted as one, and the exclusion of units directly supplied by Eskom. The CFO confirmed that these issues were well understood and would be realigned through the SDBIP amendment process.

At 12:59 Cllr Valgee left the meeting

Resolved (29 January 2026)

1. That the 2025/26 Mid-Year Performance Report be considered.
2. That all areas of underperformance be discussed at Portfolio Committee and Top Management level to determine and agree

on corrective actions to be implemented and monitored to ensure targets are achieved by year end.

16. **REPORTS BY THE OFFICE OF THE DEPUTY MUNICIPAL MANAGER**

26/01/DMM1 REPORT ON EXERCISE OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR

Resolved (29 January 2026)

1. That the report on Delegated Authority by the Executive Mayor be confirmed.

17. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

18. **REPORTS BY THE PORTFOLIO COMMITTEE CHAIRPERSONS**

18.1 **REPORTS BY THE CHAIRPERSON: FINANCE & ECONOMIC DEVELOPMENT**

26/01/FED1 MID-YEAR FINANCIAL REPORT FOR THE PERIOD OF JULY TO DECEMBER 2025 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 DECEMBER 2025 (2025/26 FINANCIAL YEAR)

The Executive Mayor expressed appreciation to the CFO and the Municipal Manager for their work in respect of the budget and expenditure. It was highlighted that the collection rate had improved significantly compared to the same period in the previous year, as well as showing improvement from the previous month.

The Executive Mayor further acknowledged that capital expenditure was lower and slower than anticipated at this stage of the financial year, particularly in respect of road funding, which constitutes the bulk of capital expenditure. He confidence in expenditure would accelerate following discussions with the Municipal Manager, the Speaker, and the CFO. The Executive Mayor noted that momentum in the roads project was visible across towns, with progress being observed on the ground.

Cllr Gertenbach raised concern regarding cost coverage, noting that the Municipality's coverage stood at 0.65 months, which was below the norm prescribed by the Municipal Finance Management Act (MFMA). Concern was also expressed regarding water revenue, which was reported at 37% against a target of 50%.

Cllr Gertenbach made a reference to the adjustment budget where water revenue had been reduced and queried whether corrective measures had been implemented or whether the budget had simply been lowered. It was suggested that the problem should be addressed rather than adjusted downward, and the CFO was requested to provide clarification.

Cllr van der Linde raised concern regarding the amount of R52 million owing to creditors, as reflected on page 740, and queried why this did not appear on the credit age analysis. It was noted that the matter had been raised previously without response. The Councillor further enquired about the Environmental Management Fund (EMF) levies, requesting clarity on where these were reflected in the budget and how they were being utilised. A breakdown of collections was requested from the CFO, with reference to correspondence previously submitted. He emphasised that residents were paying approximately R60 per month and that this should constitute a significant fund, yet its allocation was not visible in the budget.

The CFO provided clarification on cost coverage, noting that the current coverage stood at 0.65 months compared to the budgeted 1.14 months. The variance was explained as resulting from employee bonuses paid in November, which temporarily increased salary allocations and reduced available cash. It was indicated that recovery would occur over the following six months, with confidence expressed that the budgeted cost coverage would be achieved, provided that the collection rate of 95% was maintained.

In respect of water revenue, reported at 37% against a target of 50%, the CFO explained that the discrepancy was due to a major write-off of unpaid accounts at the end of the previous financial year, primarily relating to water consumption. The matter was reported to be under review by the Revenue Enhancement Committee, with Civil and Water Services required to report on accounts with excessive consumption and unread meters. The adjustment budget was noted to have realigned projections accordingly.-off

Regarding the R52 million owing to creditors, the CFO clarified that 99% represented current creditors, with outstanding amounts not yet reflected in the age analysis until invoices were formally processed. Operational commitments of R14.4 million and capital commitments of R19 million were included under application of cash to provide Council with a clearer picture of obligations.

Resolved (29 January 2026)

1. That the Municipal Manager's report on the Mid-year Budget and Performance Assessment of the municipality, in accordance with Section 72(1)(a) of the MFMA, be noted.

2. That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Sections 52(d), 54(1)(f) and 72 of the MFMA, be noted.

3. That an Adjustments Budget, based on the realistically anticipated revenues, in line with section 18 and 28 of the MFMA, be tabled by the Executive Mayor to the Council.

4. That the mid-year report accordingly be submitted to National Treasury and Provincial Treasury, in both printed and electronic format.

26/01/FED2 **2025/26 MID-YEAR ADJUSTMENTS BUDGET**

Cllr Foley expressed appreciation for the preparation of the budget, noting that it was well structured and balanced. He referred to the pro-poor nature of the budget, with specific mention of allocations reflected on page 900 of the annexure D. It was highlighted that funds were being directed towards Ward 4, 7, 14, 10, and 6, thereby addressing community needs for improved services. He commended the CFO, the Municipal Manager, and the Directors for their efforts in producing a budget that was responsive to community priorities, structured and balanced, poor nature of the budget, with specific mention of allocations reflected on page 900 of the-structured and balanced. -poor nature of the budget, with specific mention of allocations reflected on page 900 of the

Cllr Heystek sought clarification regarding the adjustment reflected on page 797 under fines, penalties, and forfeits, noting that the adjusted amount of R44,670 appeared significantly higher than expected. He requested an explanation for the magnitude of the adjustment.

The CFO clarified that the adjustment in respect of fines was due to changes in accounting treatment required by the Auditor-General (AG). It was explained that fines must now be recognised in full as revenue, with impairments shown separately, rather than only reflecting the net amount after provisions for write-offs. The CFO noted that the collection rate for fines remained low, at approximately 12%, compared to national averages of 9% and 20% in certain provinces. The adjustment was therefore a noncash item, reflecting compliance with audit requirements rather than a change in actual collections.-General (AG). It was explained that fines must now be recognised in full as revenue, with impairments shown separately, rather than only reflecting the net amount after provisions for write-offs. The CFO noted that the collection rate for fines remained low, at approximately 12%, compared to national averages of 9% and 20% in certain provinces. The adjustment was therefore a non-cash item, reflecting compliance with audit requirements rather than a change in actual collections.

The Speaker called for a vote for as follows:

In favour : 17
Not in favour: 1
Abstain: 1

Resolved (29 January 2026)

1. That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Finance Management Act, Act No 56 of 2003, approves the 2025/26 Mid-Year Adjustments Budget as set-out in the **"Annexure A"** on the following tables:

    - Table 7 (B1 Adjustments Budget Summary: page 13)
    - Table 8 (B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification): page 15)
    - Table 9 (B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote): page 17)
    - Table 10 (B4 Adjustments Financial Performance (revenue and expenditure by type): page 18)
    - Table 11 (B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source: page 20)
    - Table 12 (B6 Adjustments Budget Financial Position: page 21)
    - Table 13 (B7 Adjustments Budget Cash Flows: page 23)
    - Table 14 (B8 Cash backed reserves/accumulated surplus reconciliation: page 24)
    - Table 15 (B9 Asset Management: page 25), and
    - Table 16 (B10 Basic service delivery measurement: page 27)

2. That the Council approves the **"Annexure B"** which regulates the format of the budget documentation as set out in Schedule B (Version 6.9) of the Municipal Budget and Reporting Regulations. This includes the main Tables B1 – B10 as well as the supporting tables SB1 – SB20.

3. That the Detailed Capital Programme be noted, **"Annexure C"**.

4. That the Conditional Grants Funded Capital Projects be noted, **"Annexure D".**

5. That the Adjustments Budget be submitted to National Treasury in both printed and electronic format and the relevant Provincial Treasury.

26/01/FED3 **<u>BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 31 DECEMBER 2025</u>**

Resolved (29 January 2026)

1. That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended 31 December 2025; and

2. That the Council notes the submission of the report to the Provincial treasury and Auditor-General as stipulated in section 11(4) (b) of the MFMA.

26/01/FED4 **<u>SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS FOR THE MONTHS NOVEMBER AND DECEMBER 2025</u>**

Cllr van der Linde stated that he was not in support of the item.

The Speaker called for a vote for as follows:

In favour : 16
Not in favour: 3
Abstain: 0

Resolved (29 January 2026)

1. That the Deviation report for the months November and December 2025 be approved by Council.

26/01/FED5 **<u>ANNUAL FUNDING PROPOSAL: HUMANSDORP MUSEUM ASSOCIATION</u>**

Cllr Ruth proposed that recommendation 10.2, as reflected on page 923. referring to the allocation of R300,000 for the Shipwreck Museum, be removed. It was stated that the matter should be brought back to Council as a separate item with more detail before consideration.

Cllr Stuurman seconded the proposed recommendation.

Resolved (29 January 2026)

1. That Council approves the annual contribution to the Humansdorp Museum Association amounting to R450,000.00 (Four Hundred and Fifty Thousand Rand) only, Vat – inclusive for 2025/2026 FY.

2. That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement with the Humansdorp Museum Association, in accordance with the funding allocated in recommendations 1 as above.

3. That a separate and detailed item be submitted to Council for the refurbishment of the building for the establishment of the Shipwreck Museum.

Proposed: Cllr Ruth Seconded: Cllr Stuurman

26/01/FED6 **<u>SUPPLY CHAIN MANAGEMENT: QUARTERLY IMPLEMENTATION REPORT FOR THE SECOND TERM OF THE 2025-2026 FINANCIAL YEAR ENDING 31 DECEMBER 2025</u>**

Cllr van der Linde stated that he was not in support of the item.

The Speaker called for a vote for as follows:

In favour : 16

Not in favour: 2
Abstain: 0

Resolved (29 January 2026)

1. That the report be submitted to Council for approval as per the reporting requirements for the second quarter of the of the 2025/2026 Financial year starting 01 October 2025 and ending 31 December 2025.

18.2 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT SERVICES**

26/01/PD1 REQUEST FOR COUNCIL'S FINAL APPROVAL TO ALIENATE THE 98 WET ERVEN (3535 – 3634) TO RESIDENTS CURRENTLY OCCUPYING THE MUNICIPAL PROPERTIES, KRUISFONTEIN, HUMANSDORP

Cllr Alexander sought clarity on the description reflected on page 970, noting that the figures did not align. It was stated that while the report reflected 98 units, calculations indicated 103, comprising 10 relocations, 10 remaining, and 5 vacant plots. He made further reference to an additional case involving a foreign national, which brought the total to 104. He acknowledged progress made on the item but requested clarification on the discrepancy.

The Director: Planning and Development clarified that the reference to "98 units" did not necessarily reflect the actual number of households. It was explained that several larger properties contained multiple households, resulting in a higher total than indicated in the title. The matter had historically been referred to as the "98 units," but the presence of multiple households on single properties accounted for the discrepancy in figures.

Resolved (29 January 2026)

1. That Council **grant final approval** for the alienation of erven 3535 – 3634 located in Kruisfontein, Humansdorp to the current occupants.

2. That Council confirms that eighty-eight (88) occupants who opted to stay on the property and are willing to construct their own dwelling unit take transfer of the property.

3. That Council confirms that ten occupants (10) willing to be relocated once the Kruisfontein 2500 Housing Project is unlocked, be granted permission to occupy until completion of the Kruisfontein 2500 Project.

4. That Council confirms that the five (5) vacant erven (Erf 3572, Erf 3576, Erf 3582, Erf 3586 and Erf 3594) be disposed through a competitive process.

5. That in terms of Section 14 and 90 of the MFMA and departmental inputs, Council hereby confirms that the properties are not needed in future to provide the minimum level of basic municipal services.

6. That Council approves a minimum amount of R2000-00 for the properties.

7. That the Municipality be responsible for the transfer costs.

8. That the recommendations by SRK Consulting as contained in Annexure D, be included in the Deed of Sale.

9. That Council approves the subdivision and rezoning of Erf 3625 Kruisfontein into 6 equal erven for disposal to the current occupants.

26/01/PD2 **REQUEST FOR COUNCIL'S FINAL APPROVAL TO ALIENATE (DONATE) A PORTION OF ERF 1324, KWANOMZAMO, HUMANSDORP AND A PORTION OF ERF 848, PATENSIE TO THE DEPARTMENT OF PUBLIC WORKS**

Resolved (29 January 2026)

1. That Council grants **final approval** for the alienation of a portion of Erf 1324, Kwa-Nomazo, Humansdorp and a portion of Erf 848, Patensie to the Department of Public Works and Infrastructure by way of a donation.

2. That the portion of Erf 1324 Humansdorp be subdivided from the Library and residential units.

3. That the portion of Erf 1324, Humansdorp be consolidated with a portion of the adjacent erf, Erf 1983, Humansdorp due to the building been built over both Erf 1324 and Erf 1983.

4. That the existing entrance road to Kwanomzamo also transverses Erf 1983 and a "road reserve" must be created over Erf 1983.

5. That the portion of Erf 848, Patensie be subdivided from the municipal building (community hall).

6. That Council confirms that land will not be required for provision of basic municipal services in the future.

7. That the Department Public Works be liable for all surveying costs regarding the subdivision, consolidation and rezoning of Erf 1324 in Humansdorp and Erf 848, Patensie.

8. That the Department Public Works is liable for all costs related to the transfer of properties contemplated herein.

9. That Council grant authorisation to the Accounting Officer to enter into a Deed of Donation agreement with the Department of Public Works.

26/01/PD3 **<u>REQUEST FOR COUNCIL'S FINAL APPROVAL FOR THE ALIENATION (LEASE) OF A PORTION OF PORTION 4 OF FARM 346, HUMANSDORP RD</u>**

Resolved (29 January 2026)

1. That Council grant **<u>final approval</u>** for the alienation (lease) of a portion (±7 hectares) of Portion 4 of Farm 346, Humansdorp RD to Woodlands Dairy.

2. That Council notes that no objections were received for the alienation of the immovable properties.

3. That in terms of Section 14 and 90 of the MFMA and departmental inputs, Council hereby confirms that the land is not needed to provide the minimum level of basic municipal services.

4. That Council approves a minimum rental income of R14,600.00 per month.

5. That the property be used for the purpose applied for, and for no other purpose whatsoever, unless prior written consent has been obtained from the Lessor.

6. That Council grant authorization to the Accounting Officer to enter into a lease agreement with Woodlands Dairy.

19. MOTION

<u>NOTICE OF A MOTION IN TERMS OF RULE 29 OF THE STANDING RULES OF ORDER - BY THE DEMOCRATIC ALLIANCE IN KOUGA MUNICIPALITY</u>

26/01/MM3 **<u>IN RE: ESTABLISHMENT OF A STAND-ALONE SAFETY AND SECURITY DIRECTORATE IN KOUGA MUNICIPALITY</u>**

The Executive Mayor tabled a motion, as reflected on page 1009 of the agenda, noting that it was submitted in accordance with section 29 as a normal motion and included in the agenda for Councillors' consideration. The Executive Mayor highlighted the increasing concerns regarding safety and security within the municipality, acknowledging that while this is a legislated function of the South African Police Service (SAPS), the municipality must also act proactively to safeguard residents.

On behalf of the Democratic Alliance, the Mayor proposed that Council approve in principle the establishment of a standalone Safety and Security Department as a Municipal Directorate, separate from Community Services. It was noted that this would not affect the composition of the Mayoral Committee and that financial implications would be limited. The Executive Mayor recommended that the Municipal Manager be mandated to investigate and implement the establishment of the department, ensuring compliance with the Systems Act, applicable labour legislation, the MFMA, and collective agreements, including required stakeholder consultations.

It was further recommended that a revised organogram be submitted to Council prior to the start of the new financial year, with the new department to be functional by 1 July 2026. The Executive Mayor emphasised that this would enable dedicated funding and enhanced municipal involvement in safety and security, complementing SAPS efforts despite their resource constraints.

Cllr Stuurman, on behalf of the Democratic Alliance (DA, noted the increasing demands placed on the municipality in respect of safety and security. It was acknowledged that while policing is not a constitutional function of local government, there is a need for a structured and effective municipal approach to safety across the Kouga region.

Cllr Stuurman emphasised the importance of focused leadership, strengthened command, and accountability, and supported the establishment of a standalone Safety and Security Directorate. He referred to the recommendations on page 1010, with the Democratic Alliance requesting that the Municipal Manager implement the restructuring and submit a revised municipal organogram to Council in compliance with the Local Government Structures Act, 1988, and the Municipal Systems Act, 2000.

Cllr Heystek expressed support for the establishment of a standalone Safety and Security Department, concurring with the views of the Executive Mayor and Cllr Stuurman. It was noted that the Municipality faced significant challenges relating to infrastructure requiring enhanced safety measures, while SAPS remained limited in capacity.

He further highlighted the potential role of new technologies and ongoing studies in addressing the identified challenges, noting that such initiatives would carry financial implications. It was further emphasised that the establishment of a dedicated department would allow for focused attention on safety and security matters. This approach was regarded as the most appropriate way forward.

Ald Benson expressed support for the motion to establish a standalone Safety and Security Department, noting that the purpose was to distinguish mandates between Community Services and Safety and Security. It was explained that Community Services focused on social development, recreation, culture, health support, libraries, beaches, environmental management, waste, cleanliness, sports facilities, and services for youth and the elderly. In contrast, Safety and Security encompassed law enforcement, crime prevention, traffic, disaster management, Closed-Circuit Television (CCTV) monitoring, emergency response, and the use of technologies such as drones, body cameras, and safety applications.

Acknowledgement was given to the Director: Community Services for managing both portfolios over the years, despite the extensive responsibilities. It was argued that combining the functions diluted strategic focus, whereas separating them would allow for clearer objectives, specialised policies, measurable outcomes, and more effective allocation of resources. Reference was made to high crime levels in the Eastern Cape, with Kouga falling within this province, and it was emphasised that safety and security required a distinct and strengthened approach.

Cllr van der Linde indicated support for the motion, concurring with the points raised by Ald Benson. He sought clarity on the proposed structure, specifically whether the arrangement would result in two directors with one Member of the Mayoral Committee (MMC) overseeing both portfolios.

The Executive Mayor explained that the establishment of a new directorate would include the appointment of a director to lead the department. It was noted that, at this stage, no decision had been taken regarding the allocation of Mayoral Committee responsibilities. Options under consideration included one MMC overseeing two directorates or the Executive Mayor assuming oversight of a directorate. The Executive Mayor emphasised that the composition of the Mayoral Committee was a minor aspect of the process and that the immediate focus should be on the establishment of the new directorate and its administrative structure. Political leadership arrangements would be determined at a later stage.

Resolved (29 January 2026)

1. That Council, in terms of the Local Government: Municipal Structures Act, 107 of 1998, approves in principle the establishment of Safety and Security as a stand-alone Municipal directorate, separate from the Community Services Directorate, to serve the Municipality as a whole;

2. That the Municipal Manager be mandated and instructed to implement the establishment of the stand-alone Safety and Security Directorate, including the necessary organisational restructuring and realignment of functions;

3. That the Municipal Manager ensures that the implementation process:

3.1 Complies with the Municipal Systems Act, 32 of 2000, the Municipal Finance Management Act, 56 of 2003, applicable labour legislation, collective agreements, and Council-approved policies;

3.2 Includes all required labour and stakeholder consultation processes.

4. That the Municipal Manager implements the restructuring and to submit a revised Municipal organogram to Council, in compliance with the Local Government: Municipal Structures Act, 1998, the Municipal Systems Act, 2000, and all applicable labour and governance prescripts.

20. **CLOSURE**

The meeting closed at 13:20

L Maree

6th March 2026

L MAREE **DATE**
SPEAKER