

BUFFALO CITY METROPOLITAN MUNICIPALITY

2024/2025 MTREF BUDGET

BCMM COUNCIL MEETING

31 MAY 2024



BUFFALO CITY METROPOLITAN MUNICIPALITY

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2024 NATIONAL BUDGET STATEMENT

BALANCING DEVELOPMENT & FISCAL SUSTAINABILITY



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GLOBAL ECONOMIC OUTLOOK

Economic growth in selected countries

Region/country	2022	2023	2024	2025
Percentage	Actual	Estimate	Forecast	
World	3.5	3.1	3.1	3.2
Advanced economies	2.6	1.6	1.5	1.8
United States	1.9	2.5	2.1	1.7
Euro area	3.4	0.5	0.9	1.7
United Kingdom	4.3	0.5	0.6	1.6
Japan	1.0	1.9	0.9	0.8
Emerging and developing countries	4.1	4.1	4.1	4.2
Brazil	3.0	3.1	1.7	1.9
Russia	-1.2	3.0	2.6	1.1
India	7.2	6.7	6.5	6.5
China	3.0	5.2	4.6	4.1
Sub-Saharan Africa	4.0	3.3	3.8	4.1
Nigeria	3.3	2.8	3.0	3.1
South Africa ¹	1.9	0.6	1.3	1.6
World trade volumes	5.2	0.4	3.3	3.6

1. National Treasury forecast

Source: IMF World Economic Outlook, January 2024

- Following growth of 3.5 per cent in 2022, global growth is forecast to remain flat at 3.1 per cent in 2023 and 2024, reaching a modest 3.2 per cent by 2025.
- Global inflation is expected to continue declining due to restrictive monetary policy, softening labour markets, and easing supply-side constraints.
- The pace of disinflation has raised expectations that central banks in advanced economies will begin cutting interest rates in 2024 and well into 2025.
- South Africa's near-to-medium term growth prospects remain hamstrung by subdued prices for key export commodities and a subdued global demand

RISKS TO THE ECONOMIC OUTLOOK REMAIN ELEVATED

RISKS TO THE GLOBAL OUTLOOK INCLUDE:

- Potential spikes in the global oil price if the conflict in the Middle East escalates.
- Growth falters in China (SA's largest trade partner).
- On the upside: global inflation could fall faster than currently assumed as supply side constraints and input costs abate.



DOMESTIC ECONOMIC OUTLOOK

Macroeconomic performance and projections

	2020	2021	2022	2023	2024	2025	2026
Percentage change	Actual			Estimate	Forecast		
Final household consumption	-6.1	5.8	2.5	0.7	1.3	1.8	1.7
Final government consumption	0.9	0.5	1.0	1.8	-0.7	-0.2	-0.2
Gross fixed-capital formation	-14.6	0.6	4.8	4.2	3.7	4.0	3.6
Gross domestic expenditure	-7.6	4.8	3.9	1.1	1.2	1.7	1.7
Exports	-12.0	9.1	7.4	3.2	2.1	2.5	3.2
Imports	-17.6	9.6	14.9	4.8	1.9	2.6	2.6
Real GDP growth	-6.0	4.7	1.9	0.6	1.3	1.6	1.8
GDP inflation	5.3	6.5	4.8	4.6	4.0	4.5	4.5
GDP at current prices (R billion)	5 568	6 209	6 629	6 972	7 346	7 801	8 298
CPI inflation	3.3	4.6	6.9	6.0	4.9	4.6	4.6
Current account balance (% of GDP)	1.9	3.7	-0.5	-1.8	-2.8	-3.0	-3.0

Sources: National Treasury, Reserve Bank and Statistics South Africa

- South Africa's 2023 GDP growth forecast has been lowered to 0.6 per cent due to weaker-than-expected 2023Q3 outcomes.
- SA's economy has been subject to several headwinds, including persistent power cuts, operational and maintenance failures in freight rail and at ports, and high living costs.
- The medium-term outlook is forecast to average growth of 1.6 per cent.
- Medium-to-longer-term growth is dependent on improving capacity in energy, freight rail and ports, and on continuing to reduce barriers to economic activity.
- The economic growth strategy prioritises macroeconomic stability, structural reforms and improvements in state capability to raise growth.

RISKS TO THE ECONOMIC OUTLOOK REMAIN ELEVATED

THE DOMESTIC OUTLOOK FACES A RANGE OF RISKS, AND INCLUDE:

- Continued operational and maintenance failures in electricity, freight rail and ports remain a persistent and binding constraint on output in the near term.
- A longer-than-expected period of high sovereign credit risks could increase borrowing costs further, weighing on investment and growth.
- Persistently high domestic interest rates could further erode consumption spending, alongside the risk of continued food inflation.
- Conversely, the domestic growth outlook may improve if there is less load-shedding than expected in the near term, coupled with a faster-than-expected resolution of the rail and port infrastructure constraints

OVERALL BUDGET CONSIDERATIONS



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BUDGET CONSIDERATIONS

- Consumer Price Inflation (CPI), 4.9% in 2024/2025, 4.6% for 2025/2026, and a projected CPI of 4.6% has been applied for 2026/2027.
- High unemployment resulting in debt impairment.
- Collection rate was 70.07% in April 2024 vs 78% budgeted in 2024/2025.
- The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. The expected tariff increase as communicated in MFMA Budget Circular 126 is 12.74% for bulk purchases in 2024/2025 financial year.
- Percentage increase in Electricity tariff is 15.31% based on the NERSA tariff application for 2024/2025 financial year.
- The institution purchases treated water from the Amatola Water Board. Amatola Water has proposed an increase in bulk water tariffs of 6.54% from 1 July 2024.



BUDGET CONSIDERATIONS – Cont.

- The existing Salary and Wage Collective Agreement was signed in 2021 for the period 01 July 2021 to 30 June 2024. There is no existing salary and wage collective agreement for the 2024/2025 MTREF to date. A provision of CPI% has been made for the 2024/2025 MTREF as follows:
 - 2024/25: 4.9% (CPI)
 - 2025/26: 4.6% (CPI)
 - 2026/27: 4.6% (CPI)
- Debt impairment is based on the targeted collection rate .
- Budgeted depreciation relates to the **cost component** as inclusion of the revaluation component would result to high and unaffordable tariffs and or deficit budget. The City posts the revaluation component to the balance sheet to avoid high tariff hikes.
- The City will strive to budget for a surplus in order grow its reserves. This will ensure continuous **investments on renewal and upgrading of existing assets programmes**

BUDGET CONSIDERATIONS

Expenditure assumptions

DESCRIPTION	2024/2025	2025/2026	2026/2027
National Treasury Headline Inflation Forecasts (CPI)	4.90%	4.60%	4.60%
Salaries	4.90%	4.60%	4.60%
Electricity Purchases	12.74%	15.74%	15.74%
Water Purchases	6.54%	6.54%	6.54%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.
Equitable Share Allocation	R1 218 324 000	R1 298 635 000	R1 381 886 000
Bad Debt Provision	23.00%	20.00%	19.00%

BUDGET CONSIDERATIONS

GRANT ALLOCATIONS IN ACCORDANCE WITH DoRA:

Grant allocation	2024/2025 DORA ALLOCATION	2025/2026 DORA ALLOCAITON	2026/2027 DORA ALLOCATION
Neighbourhood Development Partnership Grant - Public Employment Programme (PEP)	36 000 000	0	0
Neighbourhood Development Partnership Grant (Capital)	19 655 000	25 000 000	28 700 000
Infrastructure Skills Development Grant	11 000 000	11 000 000	12 500 000
Local Government Financial Management Grant	1 000 000	1 000 000	1 200 000
Expanded Public Works Programme Integrated	2 314 000	0	0
Programme and Project Preparation Support Grant	15 000 000	20 000 000	25 000 000
Informal Settlements Upgrading Partnership Grant	304 707 000	318 357 000	332 943 000
Urban Settlements Development Grant	535 365 000	559 244 000	662 652 000
TOTAL DORA FUNDING	925 041 000	934 601 000	1 062 995 000



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PROPOSED FINAL 2024/2025 MTREF BUDGET



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PROPOSED FINAL 2024/2025 MTREF BUDGET

Revenue:

- The following specific revenue considerations were made:
 - The current tariff affordability
 - Emphasis on cost containment measures due to financial recovery plan
 - Cash flow position, level of cash reserves
- 2024/2025 Mid-Year Adjusted Budget utilised as a base year
- Property rates tariff at CPI less 1% , so as to attract business in the City.
- % increase for **Water tariff** is taking into account Amatola tariff increase and provision for repairs & maintenance
- % increase for **Electricity tariff** in line with the National Electricity Regulator of South Africa (NERSA) MYPD formula
- % increase for Waste water based on CPI increase and provision for repairs and maintenance
- % increase for Refuse based on CPI increase and provision for repairs and maintenance
- % increase for **other Revenue Sources** based on CPI inflation.
- **Operational Transfers recognised** - Based on various operating grants and subsidies allocated to the Metro over the 2024/2025 MTREF period through DORA

PROPOSED FINAL 2024/2025 MTREF BUDGET

Expenditure:

- % increase of (CPI) applied to **Employee related costs** in line with Salary and Wage Collective Agreement
- % increase of (CPI) applied to **Remuneration of Councillors**.
- **Debt impairment** is based on a collection rate target of 77% for 2024/2025, 80% for 2025/2026 & 81% for 2026/2027
- **Depreciation** projection is based on projected cost component per MFMA **Circular 58**
- **Repairs and Maintenance** increases by 4% in 2024/2025, 4.6% in 2025/2026 & 10% in 2026/2027
- % increase of 6.54% for **Water purchases** as proposed by Amatola Water
- % increase of 12.74% for **Electricity bulk purchases** as guided by MFMA Budget Circular 126
- % reduction of 13% on **Other expenditure** in 2024/2025
- Contribution to **BCMDA** is R43m (2024/2025 MTREF)
- No percentage increase on **Contracted services & Other Materials in 2024/2025**

PROPOSED FINAL 2024/2025 MTREF BUDGET

- The operating budget is being revised from the 2024/2025 Tabled Budget after taking into account the following:
 - **Revenue**
 - a) Electricity tariff has been reduced from 15.81% to 15.31%.
 - b) Water tariff has been reduced from 8.54% to 7.79%
 - **Expenditure**
 - a) Employee related costs- Percentage increase on this item has been reduced from 5.9% to 4.9%
 - b) Remuneration of councillors- Percentage increase on this item has been reduced from 5.9% to 4.9%
 - c) Adding 30% of the vacant posts that were unfunded during the 2023/2024 Mid-year adjustment budget to the 2024/2025 Employee cost budget.
 - d) Collection rate for 2024/2025 has been revised downwards from 78% to 77%
 - e) Electricity Bulk purchases has been corrected by revising it from 12.70% to 12.74%.

PROPOSED FINAL 2024/2025 MTREF BUDGET SCENARIO

REVENUE AND EXPENDITURE BUDGET FRAMEWORK	2023/2024	2024/2025	2024/2025	2025/2026	2025/2026	2026/2027	2026/2027
	MID-YEAR	%	SCENARIO	%	SCENARIO	%	SCENARIO
	ADJ BUDGET	INCREASE	PROPOSED FINAL BUDGET	INCREASE	PROPOSED FINAL BUDGET	INCREASE	PROPOSED FINAL BUDGET
<u>Revenue Per Source</u>							
Property Rates	2 208 577 405	3.90%	2 269 496 542	4.60%	2 373 893 383	4.60%	2 483 092 479
Electricity Charges	2 459 295 652	15.31%	2 835 813 816	15.70%	3 281 036 585	15.70%	3 796 159 329
Water Charges	845 688 567	7.79%	911 567 706	6.54%	971 184 234	6.54%	1 034 699 683
Sanitation Charges	573 554 533	5.20%	603 379 369	4.60%	631 134 820	4.60%	660 167 021
Refuse Charges	509 293 320	5.20%	535 776 573	4.60%	560 422 295	4.60%	586 201 721
Rental of facilities and equipment	23 129 360	4.90%	24 262 699	4.60%	25 378 783	4.60%	26 546 207
Interest earned - external investments	37 027 305		24 000 000		25 920 000		27 993 600
Interest earned - outstanding debtors	211 915 246	4.90%	222 299 093	4.60%	232 524 851	4.60%	243 220 994
Fines	9 238 546	4.90%	9 691 235	4.60%	10 137 032	4.60%	10 603 335
Licences and permits	13 367 120	4.90%	14 022 109	4.60%	14 667 126	4.60%	15 341 814
Agency services	26 860 728	4.90%	28 176 904	4.60%	29 473 041	4.60%	30 828 801
Transfers recognised - operational	1 397 670 301		1 548 936 865		1 714 136 378		1 751 045 560
Sale of goods & services	145 957 834	4.90%	153 109 768	4.60%	160 152 817	4.60%	167 519 847
Other revenue	84 138 329	4.90%	88 261 107	4.60%	92 321 118	4.60%	96 567 889
Fuel levy	741 926 000		777 132 000		809 215 000		843 430 000
<u>Total Direct Operating Income</u>	9 287 640 246		10 045 925 785		10 931 597 463		11 773 418 281

PROPOSED FINAL 2024/2025 MTREF BUDGET SCENARIO

REVENUE AND EXPENDITURE BUDGET FRAMEWORK	2023/2024	2024/2025	2024/2025	2025/2026	2025/2026	2026/2027	2026/2027
	MID-YEAR	%	SCENARIO	%	SCENARIO	%	SCENARIO
	ADJ BUDGET	INCREASE	PROPOSED FINAL BUDGET	INCREASE	PROPOSED FINAL BUDGET	INCREASE	PROPOSED FINAL BUDGET
<u>Expenditure Per Category</u>							
Employee related costs	2 609 063 802	4.90%	2 851 252 284	4.60%	3 108 806 615	4.60%	3 251 797 716
Remuneration of councillors	74 057 054	4.90%	77 685 850	4.60%	81 259 399	4.60%	84 997 331
Debt impairment	1 483 890 895		1 681 728 272		1 596 133 491		1 658 825 653
Depreciation & asset impairment	608 744 505		567 097 151		590 915 231		615 733 670
Finance charges	13 564 955		8 964 052		6 551 233		4 669 071
Electricity Bulk Purchases	2 512 494 096	12.74%	2 832 585 844	15.74%	3 278 434 856	15.74%	3 794 460 502
Contracted services	163 359 094		166 105 425	4.60%	173 746 275	4.60%	181 738 603
Transfers and grants	85 954 380		100 950 580	4.60%	72 356 882	4.60%	75 685 299
Repairs and Maintenance	501 962 297	4.00%	525 069 817	4.60%	549 223 029	10.00%	604 145 331
Operating projects	355 240 782		365 551 741		545 172 500		492 932 233
Other expenditure	521 027 764	-13.00%	482 173 722	4.60%	504 353 713	4.60%	527 553 984
Losses	92 539 935	6.54%	114 998 963	6.54%	122 519 896	6.54%	130 532 697
Other materials	265 504 272		266 566 149	4.60%	282 869 258	4.60%	300 186 596
<u>Total Direct Operating Expenditure</u>	9 287 403 831		10 040 729 850		10 912 342 376		11 723 258 686
<u>Surplus / (Deficit)</u>	236 415		5 195 935		19 255 087		50 159 594

PROPOSED FINAL 2024/2025 MTREF BUDGET SCENARIO

2024/2025

- The proposed budget yields :
- a surplus of R5 195 935 for 2024/2025,
- a surplus of R19 255 087 for 2025/2026 &
- a surplus of R50 159 594 for 2026/2027



PROPOSED FINAL 2024/2025 MTREF OPERATING PROJECTS



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PROPOSED FINAL 2024/2025 MTREF OPERATING PROJECTS

- The budgeted amount for grant funded projects should not exceed the DoRA allocation.
- Funding affordability.
- The own funded operating projects proposed to be funded had been prioritised as follows:
 - i. Operating projects that were approved in the 2023/2024 MTREF
 - ii. Operating projects with existing contracts
 - iii. Operating projects with Council pronouncements
 - iv. Unspent portions of operating projects will not be rolled over



PROPOSED FINAL 2024/2025 MTREF OPERATING PROJECTS – PER FUNDING

FUNDING SOURCE	2024/2025 APPROVED OPEX BUDGET	2025/2026 APPROVED OPEX BUDGET	2026/2027 APPROVED OPEX BUDGET
OWN FUNDING	84 597 617	148 428 122	143 167 673
TOTAL OWN FUNDING	84 597 617	148 428 122	143 167 673
URBAN SETTLEMENT DEVELOPMENT GRANT	46 710 950	49 567 302	59 379 560
FINANCE MANAGEMENT GRANT	885 000	885 000	1 085 000
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	24 767 799	23 992 076	16 000 000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	10 800 000	10 800 000	12 300 000
PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)	15 000 000	20 000 000	25 000 000
EXPANDED PUBLIC WORKS PROGRAMME	2 314 000	0	0
HUMAN SETTLEMENTS DEVELOPMENT GRANT	125 000 000	291 500 000	236 000 000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	36 000 000	0	0
SETA	19 476 375	0	0
TOTAL GRANTS	280 954 124	396 744 378	349 764 560
TOTAL OPERATING PROJECTS BUDGET	365 551 741	545 172 500	492 932 233



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PROPOSED FINAL 2024/2025 MTREF OPERATING PROJECTS – PER DIRECTORATE

DIRECTORATE	2024/2025 APPROVED OPEX BUDGET	2025/2026 APPROVED OPEX BUDGET	2026/2027 APPROVED OPEX BUDGET
EXECUTIVE SUPPORT SERVICES	10 000 000	10 000 000	10 000 000
CITY MANAGER'S OFFICE	38 822 567	38 623 442	42 047 233
CORPORATE SERVICES	12 800 000	11 800 000	13 300 000
SPATIAL PLANNING & DEVELOPMENT	10 434 249	22 389 684	4 500 000
ECONOMIC DEVELOPMENT & AGENCIES	39 226 375	30 150 000	36 500 000
FINANCE SERVICES	11 185 000	16 967 000	9 585 000
PUBLIC SAFETY & EMERGENCY SERVICES	2 750 000	2 400 000	2 000 000
HUMAN SETTLEMENTS	145 583 550	312 452 392	252 500 000
INFRASTRUCTURE SERVICES	53 300 000	59 539 982	74 000 000
DIRECTORATE OF SPORTS , RECREATION & COMMUNITY DEVELOPMENT	6 600 000	9 000 000	10 500 000
DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT	34 850 000	31 850 000	38 000 000
TOTAL OPERATING PROJECTS	365 551 741	545 172 500	492 932 233

**REFER TO ANNEXURE A FOR DETAILS OF
OPERATING PROJECTS**



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PROPOSED FINAL 2024/2025 MTREF OPERATING PROJECTS BUDGET

The operating projects budget is changing from what was tabled at Council:

2024/2025 – proposed budget is increasing by R15 170 644

2025/2026 – proposed budget is increasing by R188 902 990

2026/2027 - proposed budget is reducing by R236 864 465

The above mentioned amendments are as a result of the following:

Own Funding – Budget for Own funded operating projects is reducing by R28 705 731 in 2024/2025, increasing by R7 902 990 in 2025/2026 & increasing by R864 465 in 2026/2027.

Human Settlements Development Grant (HSDG) – HSDG funded budget is increasing by R24 400 000 in 2024/2025, increasing by R181 000 000 in 2025/2026 & increasing by R236 000 000 for 2026/2027.

Services Sector Education & Training Authority (SETA) – Discretionary grant from Services Seta has been included in the final 2024/2025 MTREF budget at R19 476 375 for 2024/2025 financial year.

PROPOSED FINAL 2024/2025 MTREF CAPITAL BUDGET



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PROPOSED FINAL 2024/2025 MTREF CAPITAL PROJECTS

- The following considerations need to be taken into account:
 - The budgeted amount for grant funded projects should not exceed the DoRA allocation.
 - The amount to be allocated to own funded Capital projects should not exceed **cash backed reserves**.
 - The Retained Reserves that will be utilised to fund the proposed 2024/2025 draft MTREF capital projects have been revised as follows:
 - i. 2024/2025 – R442 551 560
 - ii. 2025/2026 – R448 986 350
 - iii. 2026/2027 – R394 963 223
 - iv. No new loans are projected to be taken during the 2024/2025 MTREF. The City is in a process of appointing a panel of transactional advisers with sole responsibility of sourcing funds for Capital projects. ■



CAPITAL BUDGET AND FUNDING MIX

- The **funding mix** of the capital budget must be optimised.
- Invest in grant funding on eradication of backlogs and social infrastructure.
- Invest internally generated funds mainly on renewal of existing assets.
- Invest borrowed funds mainly on economic infrastructure that will have returns on investments.
- The proposed Capital Budget for the 2024/2025 MTREF Budget is funded as follows:
 - 2024/25 – 36% own funding and 64% grant funding
 - 2025/26 – 35% own funding and 65% grant funding
 - 2026/27 – 29% own funding and 71% grant funding



PROPOSED FINAL 2024/2025 MTREF CAPITAL PROJECTS - PER FUNDING

CAPITAL BUDGET PER FUNDING	2024/2025 APPROVED CAPITAL BUDGET	2025/2026 APPROVED CAPITAL BUDGET	2026/2027 APPROVED CAPITAL BUDGET
OWN FUNDING	442 551 560	448 986 350	394 963 223
TOTAL OWN FUNDING	442 551 560	448 986 350	394 963 223
URBAN SETTLEMENT DEVELOPMENT GRANT	488 654 050	509 676 699	603 272 440
FINANCE MANAGEMENT GRANT	115 000	115 000	115 000
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	279 939 201	294 364 926	316 943 000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	19 655 000	25 000 000	28 700 000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	200 000	200 000	200 000
TOTAL GRANTS	788 563 251	829 356 625	949 230 440
TOTAL CAPITAL BUDGET	1 231 114 811	1 278 342 976	1 344 193 663



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PROPOSED FINAL 2024/2025 MTREF CAPITAL PROJECTS - PER DIRECTORATE

CAPITAL BUDGET PER DIRECTORATE	2024/2025 APPROVED CAPITAL BUDGET	2025/2026 APPROVED CAPITAL BUDGET	2026/2027 APPROVED CAPITAL BUDGET
EXECUTIVE SUPPORT SERVICES	500 000	500 000	500 000
CITY MANAGER'S OFFICE	9 650 000	5 750 000	6 000 000
CORPORATE SERVICES	16 700 000	17 700 000	17 200 000
SPATIAL PLANNING & DEVELOPMENT	81 907 810	87 062 259	86 492 049
ECONOMIC DEVELOPMENT & AGENCIES	42 888 554	61 824 701	94 000 000
FINANCE SERVICES	78 058 365	39 615 000	25 615 000
PUBLIC SAFETY & EMERGENCY SERVICES	18 050 000	43 500 000	34 000 000
HUMAN SETTLEMENTS	225 926 643	245 046 792	241 724 964
INFRASTRUCTURE SERVICES	650 863 439	663 643 451	667 017 652
DIRECTORATE OF SPORTS , RECREATION & COMMUNITY DEVELOPMENT	25 850 000	23 509 980	84 523 998
DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT	80 470 000	89 940 792	86 500 000
TOTAL CAPITAL BUDGET:BCMM	1 230 864 811	1 278 092 976	1 343 573 663
BCMDA	250 000	250 000	620 000
TOTAL CAPITAL:CONSOLIDATED	1 231 114 811	1 278 342 976	1 344 193 663

REFER TO ANNEXURE B FOR DETAILS OF CAPITAL PROJECTS

PROPOSED FINAL 2024/2025 MTREF CAPITAL BUDGET

The capital budget has changed from what was tabled at Council as follows:

Own Funding:

2024/2025: Proposed budget is reducing by R8 143 639. Budget reduction has been applied to a number of Capital projects after considering the reasonability of the draft 2024/2025 allocated capital budget.



URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)



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FINAL PROPOSED 2024/2025 MTREF BUDGET – USDG ALLOCATION PER DIRECTORATE

The gazetted USDG allocation for 2024/2025 has been reduced by R5 934 000. BCMM is allocated **R535 365 000** for 2024/2025, **R559 244 000** for 2025/2026 and **R662 652 000** for 2026/2027.

The below table shows the proposed split of USDG per directorate:

CAPITAL BUDGET PER DIRECTORATE	2024/2025 APPROVED CAPITAL BUDGET	% PROPORTION	2025/2026 APPROVED CAPITAL BUDGET	% PROPORTION	2026/2027 APPROVED CAPITAL BUDGET	% PROPORTION
CITY MANAGER'S OFFICE	16 060 950	3%	16 777 320	3%	19 879 560	3%
SPATIAL PLANNING & DEVELOPMENT	65 457 810	12%	68 390 297	12%	79 970 000	12%
ECONOMIC DEVELOPMENT & AGENCIES	20 819 270	4%	21 527 968	4%	47 000 000	7%
HUMAN SETTLEMENTS	114 546 074	21%	126 007 492	23%	115 186 381	17%
INFRASTRUCTURE SERVICES	277 480 896	52%	299 376 134	54%	334 392 061	50%
DIRECTORATE OF SPORTS , RECREATION & COMMUNITY DEVELOPMENT	5 000 000	1%	5 223 998	1%	25 223 998	4%
DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT	36 000 000	7%	21 940 792	4%	41 000 000	6%
TOTAL CAPITAL BUDGET:BCMM	535 365 000		559 244 001		662 652 000	

INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT (ISUPG)



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FINAL PROPOSED 2024/2025 MTREF BUDGET – ISUPG ALLOCATION PER DIRECTORATE

The gazetted ISUPG allocation for 2024/2025 has been reduced by R3 078 000. BCMM is allocated **R304 707 000** for 2024/2025 and **R318 357 000** for 2025/2026 and **R332 943 000** for 2026/2027.

The below table shows the proposed split of ISUPG per directorate:

CAPITAL BUDGET PER DIRECTORATE	2024/2025 APPROVED CAPITAL BUDGET	% PROPORTION	2025/2026 APPROVED CAPITAL BUDGET	% PROPORTION	2026/2027 APPROVED CAPITAL BUDGET	% PROPORTION
SPATIAL PLANNING & DEVELOPMENT	22 934 249	8%	23 961 646	8%	5 822 049	2%
ECONOMIC DEVELOPMENT & AGENCIES	21 819 284	7%	22 796 733	7%	30 000 000	9%
HUMAN SETTLEMENTS	127 714 119	42%	134 241 692	42%	140 038 583	42%
INFRASTRUCTURE SERVICES	124 739 348	41%	129 520 949	41%	137 082 368	41%
DIRECTORATE OF SPORTS , RECREATION & COMMUNITY DEVELOPMENT	7 500 000	2%	7 835 982	2%	20 000 000	6%
TOTAL CAPITAL BUDGET:BCMM	304 707 000		318 357 002		332 943 000	

*Thank
you*

