

REPORT TO COUNCIL: 30 APRIL 2025

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AUTHOR: Executive Mayor (P. Faku)/my

THIRD ADJUSTMENTS BUDGET REPORT FOR THE 2024/2025 FINANCIAL YEAR

1. PURPOSE

The purpose of the report is for the Council to **consider** and **approve** the Third Adjustments Budget of the Buffalo City Metropolitan Municipality for the 2024/2025 financial year in terms of section 28 of the MFMA.

2. AUTHORITY

Buffalo City Metropolitan Council.

3. LEGAL / STATUTORY REQUIREMENTS

- 3.1 The Constitution of the Republic of South Africa, 1996
- 3.2 Municipal Finance Management Act No 56, 2003
- 3.3 Municipal Budget and Reporting Regulations, 2009
- 3.4 Division of Revenue Act, 2024
- 3.5 Government Gazette No.50318

4. BACKGROUND

In terms of Section 28, of the Municipal Finance Management Act No. 56, 2003, Chapter 4, the following applies: -

(1) *"A municipality may revise an approved annual budget through an adjustment budget.*

(2) *An adjustments budget—*

(a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(c) may, within a prescribed framework, authorise unforeseeable and

- unavoidable expenditure recommended by the mayor of the municipality;*
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;*
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*
- (f) may correct any errors in the annual budget; and*
- (g) may provide for any other expenditure within a prescribed framework.*
- (3) An adjustments budget must be in a prescribed form.*
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.*
- (5) When an adjustments budget is tabled, it must be accompanied by—*
- (a) an explanation how the adjustments budget affects the annual budget;*
- (b) a motivation of any material changes to the annual budget;*
- (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and*
- (d) any other supporting documentation that may be prescribed.*
- (6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.”*
- (7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.”*

According to the Municipal Budget and Reporting Regulations (MBRR), 2009, (Reg. 23) “(3) if a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in Section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.”

“An adjustment budget and supporting documentation of a municipality must be in the format specified in Schedule B and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act” (MFMA).

This report responds to the above sections of MFMA (28(2) and follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule B format).

5. EXPOSITION OF FACTS

On 26 February 2025, National Treasury issued Government Gazette No.52381. The 2024/2025 Third Adjustments Budget is being prepared mainly to align the Buffalo City Metropolitan Municipality's 2024/2025 budget to the revised allocations on the newly issued Government Gazette No.52381. This adjustment budget is also being prepared to reallocate funds within operating budget transfers and capital transfers in order to improve efficiency and service delivery.

The following table provides a high-level summary of the Operating and Capital Budget Adjustments:

A. The following table provides a high-level summary of the Operating and Capital Budget Adjustments for the Parent Municipality (BCMM):

OPERATING AND CAPITAL BUDGET EXPENDITURE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJ. BUDGET	2024/2025 MID-YEAR ADJ. BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJ. BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
Total Revenue	10 045 925 785	10 088 031 644	10 176 320 785	36 552 328	10 212 873 112	10 931 597 465	11 773 418 282
Total Operating Expenditure Excluding Operating Projects	9 675 178 134	9 675 178 134	9 641 800 872	44 711 589	9 686 512 460	10 367 169 865	11 230 326 466
Operating Projects	365 551 741	407 657 600	529 324 003	(8 159 261)	521 164 742	545 172 500	492 932 233
Total Operating Expenditure Including Operating Projects	10 040 729 875	10 082 835 734	10 171 124 875	36 552 328	10 207 677 202	10 912 342 365	11 723 258 699
(Surplus) / Deficit	5 195 910	5 195 910	5 195 910	0	5 195 910	19 255 100	50 159 583
Total Capital Expenditure	1 230 864 811	1 321 353 871	1 433 483 872	(7 551 120)	1 425 932 752	1 278 092 976	1 343 573 663
Total Opex and Capex Budget	11 271 594 686	11 404 189 605	11 604 608 746	29 001 208	11 633 609 954	12 190 435 341	13 066 832 362

B. The following table provides a high-level summary of the Consolidated Operating and Consolidated Capital Budget Adjustments:

OPERATING AND CAPITAL BUDGET EXPENDITURE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJ. BUDGET	2024/2025 MID-YEAR ADJ. BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJ. BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
Total Revenue	10 134 811 291	10 176 917 150	10 265 206 291	36 552 328	10 301 758 618	10 977 642 052	11 821 177 918
Total Operating Expenditure Excluding Operating Projects	9 764 063 615	9 764 063 615	9 730 686 353	44 711 589	9 775 397 941	10 413 214 453	11 278 086 102
Operating Projects	365 551 741	407 657 600	529 324 003	(8 159 261)	521 164 742	545 172 500	492 932 233
Total Operating Expenditure Including Operating Projects	10 129 615 356	10 171 721 215	10 260 010 356	36 552 328	10 296 562 683	10 958 386 953	11 771 018 335
(Surplus) / Deficit	5 195 935	5 195 935	5 195 935	0	5 195 935	19 255 099	50 159 583
Total Capital Expenditure	1 231 114 811	1 321 603 871	1 433 733 872	(7 551 120)	1 426 182 752	1 278 342 998	1 344 193 682
Total Opex and Capex Budget	11 360 730 167	11 493 325 086	11 693 744 227	29 001 208	11 722 745 435	12 236 729 951	13 115 212 017

Further details on exposition of facts are detailed below in the prescribed format.

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ABBREVIATIONS AND ACRONYMS

AMR	Automated Meter Reading	EU	European Union
ASGISA	Accelerated and Shared Growth Initiative South Africa	ELIDZ	East London Industrial Development Zone
BCMM	Buffalo City Metropolitan Municipality	FBS	Free Basic Services
BCMDA	Buffalo City Development Agency	FMG	Finance Management Grant
BEPP	Built Environment Performance Plan	GAMAP	Generally Accepted Municipal Accounting Practice
BSC	Budget Steering Committee	GDP	Gross Domestic Product
CBD	Central Business District	GFS	Government Financial Statistics
CFO	Chief Financial Officer	GRAP	Generally Recognized Accounting Practice
CM	City Manager	HR	Human Resources
CoGTA	Cooperative Government & Traditional Affairs	HSDG	Human Settlement Development Grant
CPI	Consumer Price Index	HSRC	Human Science Research Council
CRRF	Capital Replacement Reserve Fund	ICDG	Integrated City Development Grant
DBSA	Development Bank South Africa	IDP	Integrated Development Plan
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism	INEP	Integrated National Electrification Programme
DoRA	Division of Revenue Act	IT	Information Technology
DRDLR	Department of Rural Development and Land Reform	ISUPG	Informal Settlements Upgrading Partnership Grant
DTI	Department of Trade & Industry	KPI	Key Performance Indicator
DWA	Department of Water Affairs	kl	Kilolitre
ECDC	Easter Cape Development Corporation	KFA	Key Focus Area
EE	Employment Equity	Km	Kilometre
EEDSM	Energy Efficiency Demand Side Management	KPA	Key Performance Area
EM	Executive Mayor	kWh	Kilowatt hour

EPWP	Expanded Public Works Programme	ℓ	Litre
ECPTA	Eastern Cape Parks & Tourism	LED	Local Economic Development
MBRR	Municipal Budgeting and Reporting Regulations	PPP	Public Private Partnership
MDGS	Metro Growth and Development Strategy	PT	Provincial Treasury
MEC	Member of the Executive Committee	PMS	Performance Management System
MFMA	Municipal Finance Management Act	PTIS	Public Transport Infrastructure System
MIG	Municipal Infrastructure Grant	SALGA	South African Local Government Association
MMC	Member of Mayoral Committee	SAT	South African Tourism
MPRA	Municipal Property Rates Act	SDBIP	Service Delivery Budget Implementation Plan
MSA	Municipal Systems Act	SDF	Spatial Development Framework
MTEF	Medium-term Expenditure Framework	SETA	Sector Education and Training Authority
MTREF	Medium-term Revenue and Expenditure Framework	SMME	Small Micro and Medium Enterprises
NDPG	Neighbourhood Development Partnership Grant	TRAs	Temporary Relocation Areas
NERSA	National Electricity Regulator South Africa	UK	United Kingdom
NGO	Non-Governmental Organisations	US	United States
NKPIs	National Key Performance Indicators	USDG	Urban Settlement Development Grant
NT	National Treasury	VAT	Value Added Tax
OP	Operational Plan	WSA	Waster Services Authority
PPE	Property, Plant and Equipment	WSDP	Water Services Development Plan

5.1 EXECUTIVE MAYOR'S REPORT

The 2024/2025 Third Adjustments Budget is being tabled at Council in terms of Section 28 of the MFMA for the main purpose of aligning the BCMM's 2024/2025 budget to the revised allocations on the newly issued Government Gazette 52381. In this adjustment budget, budget adjustments and reallocations have also been effected between programmes/projects and other budgeted items in order to improve operational efficiencies & service delivery.

The following table provides a high-level summary of the Operating and Capital Budget adjustments:

Table 1: High Level Summary of Operating and Capital Budget Adjustments

OPERATING AND CAPITAL BUDGET EXPENDITURE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJ. BUDGET	2024/2025 MID-YEAR ADJ. BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJ. BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
Total Revenue	10 134 811 291	10 176 917 150	10 265 206 291	36 552 328	10 301 758 618	10 977 642 052	11 821 177 918
Total Operating Expenditure Excluding Operating Projects	9 764 063 615	9 764 063 615	9 730 686 353	44 711 589	9 775 397 941	10 413 214 453	11 278 086 102
Operating Projects	365 551 741	407 657 600	529 324 003	(8 159 261)	521 164 742	545 172 500	492 932 233
Total Operating Expenditure Including Operating Projects	10 129 615 356	10 171 721 215	10 260 010 356	36 552 328	10 296 562 683	10 958 386 953	11 771 018 335
(Surplus) / Deficit	5 195 935	5 195 935	5 195 935	0	5 195 935	19 255 099	50 159 583
Total Capital Expenditure	1 231 114 811	1 321 603 871	1 433 733 872	(7 551 120)	1 426 182 752	1 278 342 998	1 344 193 682
Total Opex and Capex Budget	11 360 730 167	11 493 325 086	11 693 744 227	29 001 208	11 722 745 435	12 236 729 951	13 115 212 017

The City continues with its efforts of producing a surplus budget that is funded in line with National Treasury requirements. The surplus after the 2024/2025 Third adjustment budget remains stagnant at R5 195 935 before capital transfers recognised.

5.2 **COUNCIL RESOLUTIONS**

On 31 May 2024 the Council of Buffalo City Metropolitan Municipality met to consider, approve and adopt the 2024/25 MTREF Budget. The Council further met on 22 August 2024 to consider and approve the roll-over adjustment budget. On 26 February 2025, BCMM Council met to consider the 2024/2025 mid-year adjustment budget. In terms of Chapter 4, Section 28 (1) to (7) of the Municipal Finance Management Act No. 56 of 2003, "A municipality may adjust an approved budget through an adjustment budget."

It is therefore recommended that the BCMM Council **considers** and **approves**:

- A. The adjusted budget of the Parent municipality (BCMM) for the 2024/2025 Third Adjustments Budget as follows:
 - i. The adjustment from R10 176 320 785 to R10 212 873 112 of the BCMM 2024/2025 Operating Revenue Budget.
 - ii. The adjustment from R10 171 124 875 to R10 207 677 202 of the BCMM 2024/2025 Operating Expenditure Budget.
 - iii. The adjustment from R1 433 483 872 to R1 425 932 752 of the BCMM 2024/2025 Capital Budget.
- B. The consolidated adjusted budget for the 2024/2025 Third Adjustments Budget as follows:
 - i. The adjustment from R10 265 206 291 to R10 301 758 618 of the consolidated 2024/2025 Operating Revenue Budget.
 - ii. The adjustment from R10 260 010 356 to R10 296 562 683 of the consolidated 2024/2025 Operating Expenditure Budget.
 - iii. The adjustment from R1 433 733 872 to R1 426 182 752 of the consolidated 2024/2025 Capital Budget.
- C. Council **notes** that, in order to improve operational efficiency, the consolidated detailed schedules of operating projects and capital projects that are attached as **Annexure 1 and 2** respectively have been rolled up to project and or programme level to allow budget transfers between vote/account numbers that make up that particular project or programme to be

managed at administrative level rather than being treated as a virement or an adjustment budget (**Annexure 1.1 and 2.1** are provided for information only).



P. FAKU

EXECUTIVE MAYOR

BUFFALO CITY METROPOLITAN MUNICIPALITY
MXOLISI YAWA/VP

22/04/2025
DATE

ANNEXURES:

Annexure 1: Schedule of Operating Projects per Programme/Project

Annexure 1.1: Detailed Schedule of Operating Projects

Annexure 2: Schedule of Capital Projects per Programme/Project

Annexure 2.1: Detailed Schedule of Capital Projects

Annexure 3: Detailed National Treasury B – Schedules (Parent)

Annexure 4: Detailed National Treasury B – Schedules (Consolidated)

5.3 EXECUTIVE SUMMARY

BCMM continues to take a more conservative approach in the manner in which it approaches the budgeting including this 2024/2025 Third Adjustments Budget. This process further assessed the implementation readiness of the budgeted programs and projects and the re-allocation of the expenditure budget was informed by this assessment.

The budget assumptions have not been adjusted as a result this adjustment budget does not have an impact on tariffs. This adjustment budget is in respect of projects that are already in the IDP and SDBIP and therefore it has not been necessary to revise these documents.

The consolidated operating revenue budget has been increased by R36 552 328 from R10 265 206 291 to R10 301 758 618. The consolidated operating expenditure has also been increased by R36 552 328 from R10 260 010 356 to R10 296 562 683. These are detailed in section 5.4 and 5.5 of the report. The overall operating surplus before capital transfers recognised remains unchanged at R5 195 910.

The consolidated capital expenditure budget is adjusted downwards by R7 551 120 from R1 433 733 872 to R1 426 182 752.

5.3.1 Budget Adjustment Summary

The main reason for this adjustment budget is align the BCMM budget to the revised allocations on Government Gazette 52381 that was issued on the 25th March 2025. In this adjustment budget, budget adjustments and reallocations have also been effected between programmes/projects as well as on other budgeted items in order to improve operational efficiencies and service delivery.

The table below indicates the summary of the 2024/2025 Third Adjustments Budget.

Table 2: 2024/2025 Third Adjustments Budget Summary

OPERATING AND CAPITAL BUDGET EXPENDITURE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJ. BUDGET	2024/2025 MID-YEAR ADJ. BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJ. BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
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Operating Projects	365 551 741	407 657 600	529 324 003	(8 159 261)	521 164 742	545 172 500	492 932 233
Total Operating Expenditure Including Operating Projects	10 129 615 356	10 171 721 215	10 260 010 356	36 552 328	10 296 562 683	10 958 386 953	11 771 018 335
(Surplus) / Deficit	5 195 935	5 195 935	5 195 935	0	5 195 935	19 255 099	50 159 583
Total Capital Expenditure	1 231 114 811	1 321 603 871	1 433 733 872	(7 551 120)	1 426 182 752	1 278 342 998	1 344 193 682
Total Opex and Capex Budget	11 360 730 167	11 493 325 086	11 693 744 227	29 001 208	11 722 745 435	12 236 729 951	13 115 212 017

5.4 OPERATING REVENUE FRAMEWORK

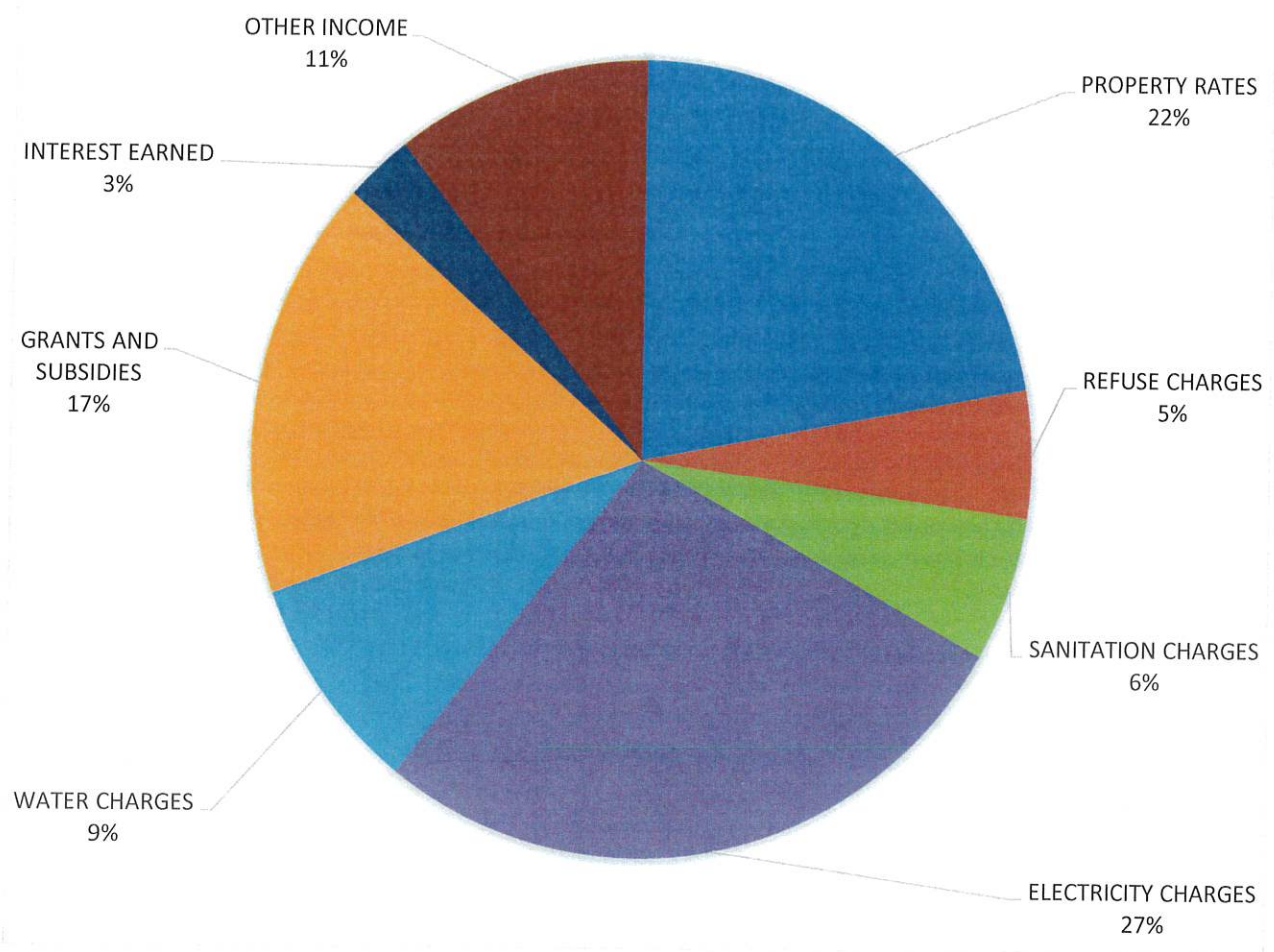
The following table (Table 3) depicts adjustments to the operating revenue budget per source. It reflects that there has been an increase of revenue totalling to R36 552 328.

Table 3: 2024/2025 Third Adjusted Revenue per Source

REVENUE BY SOURCE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJUSTMENT BUDGET	2024/2025 MID-YEAR YEAR ADJUSTMENT BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJUSTMENT BUDGET
Exchange Revenue					
Service charges - Electricity	2 835 813 816	2 835 813 816	2 835 813 816	0	2 835 813 816
Service charges - Water	911 567 707	911 567 707	911 567 707	0	911 567 707
Service charges - Waste Water Management	603 379 368	603 379 368	603 379 368	0	603 379 368
Service charges - Waste Management	535 776 573	535 776 573	535 776 573	0	535 776 573
Sale of Goods and Rendering of Services	153 109 768	153 109 768	153 109 768	0	153 109 768
Agency services	28 176 903	28 176 903	28 176 903	0	28 176 903
Interest earned from Receivables	222 299 092	222 299 092	222 299 092	0	222 299 092
Interest earned from Current and Non-Current Assets	25 655 547	25 655 547	25 655 547	45 480 505	71 136 052
Rental from Fixed Assets	24 262 696	24 262 696	24 262 696	0	24 262 696
Operational Revenue	88 261 110	88 261 110	88 261 110	0	88 261 110
Non-Exchange Revenue					
Property rates	2 269 496 542	2 269 496 542	2 269 496 542	0	2 269 496 542
Fines, penalties and forfeits	9 691 234	9 691 234	9 691 234	0	9 691 234
Licences or permits	14 022 111	14 022 111	14 022 111	0	14 022 111
Transfer and subsidies - Operational	1 636 166 824	1 678 272 683	1 766 561 824	(8 928 177)	1 757 633 647
Fuel Levy	777 132 000	777 132 000	777 132 000	0	777 132 000
TOTAL OPERATING REVENUE	10 134 811 291	10 176 917 150	10 265 206 291	36 552 328	10 301 758 618

The pie chart (Figure 1) below depicts operating revenue budget per source. In terms of service revenue, electricity remains the main contributor to the revenue of the municipality by generating 27% of the total revenue. This is followed by water tariffs at 9%, sanitation tariff at 6% and refuse tariff at 5%. The Property Rates revenue totals 22% of the total Municipal revenue. The municipality receives grants and subsidies totalling 17% of the total revenue, interest earned is 3% of the total revenue. Other revenue contributes 11% of the total revenue.

Figure 1: 2024/2025 Operating Revenue per Source



5.5 OPERATING EXPENDITURE FRAMEWORK

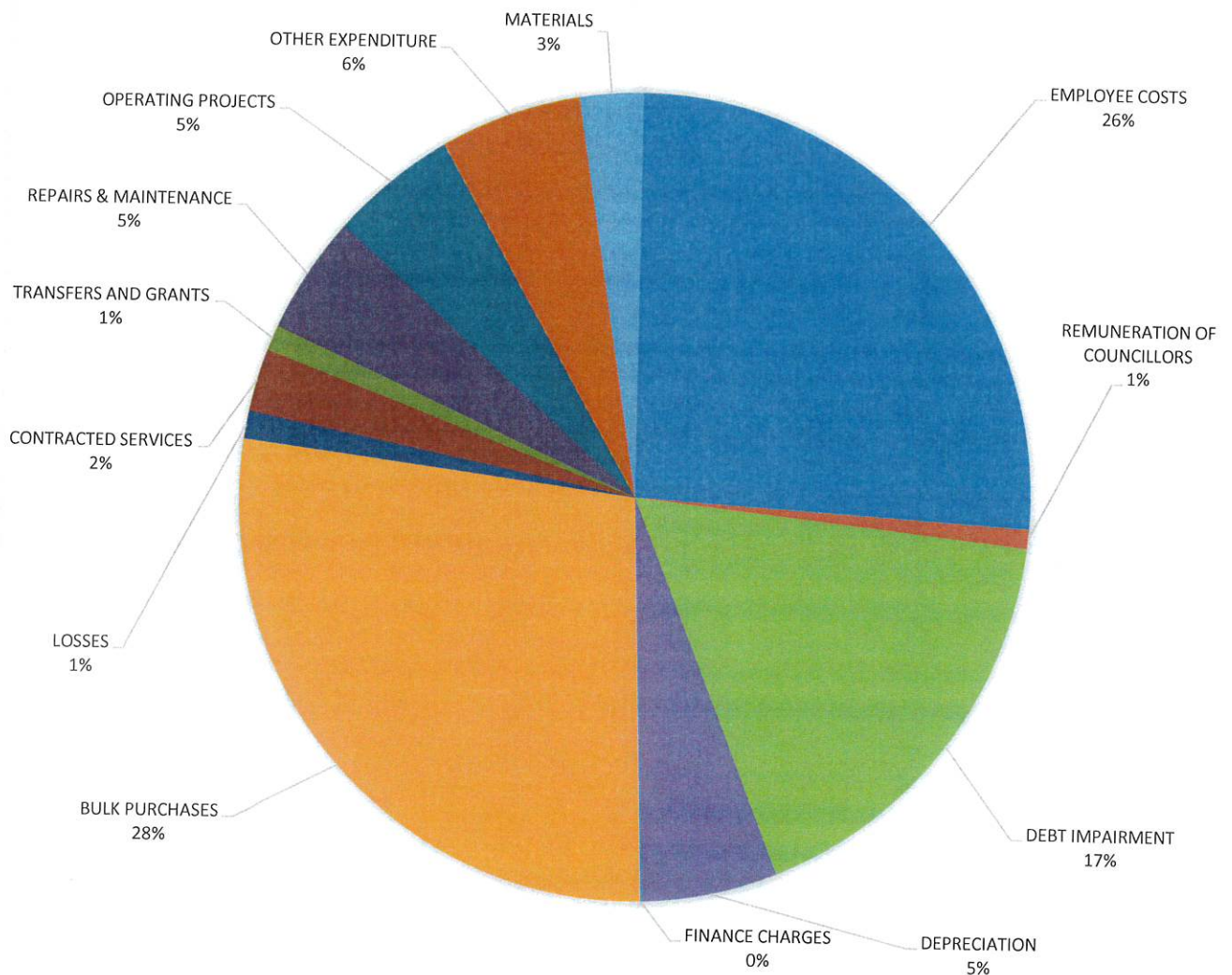
Table 4 below details adjustments to the consolidated operating expenditure budget per category. These adjustments reflect an upward adjustment of R36 552 328 to the Operating expenditure budget of the City.

Table 4: 2024/2025 Third Adjusted Expenditure Budget per Category

EXPENDITURE TYPE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJUSTMENT BUDGET	2024/2025 MID-YEAR ADJUSTMENT BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJUSTMENT BUDGET
Employee related costs	2 900 668 489	2 900 668 489	2 667 286 683	0	2 667 286 683
Remuneration of councillors	77 685 850	77 685 850	77 685 850	0	77 685 850
Debt impairment	1 681 728 272	1 681 728 272	1 754 846 892	0	1 754 846 892
Depreciation & asset impairment	567 615 359	567 615 359	567 615 359	10 211 588	577 826 947
Finance charges	8 966 469	8 966 469	8 966 469	0	8 966 469
Electricity Bulk Purchases	2 832 585 844	2 832 585 844	2 832 585 844	0	2 832 585 844
Contracted services	193 323 715	193 323 715	257 156 846	9 500 000	266 656 846
Transfers and grants	100 950 580	100 950 580	102 850 580	0	102 850 580
Repairs and Maintenance	525 069 817	525 069 817	487 456 161	20 000 000	507 456 161
Operating projects	365 551 741	407 657 600	529 324 003	(8 159 261)	521 164 742
Other expenditure	490 735 934	490 735 934	593 066 010	4 600 000	597 666 010
Losses	114 998 963	114 998 963	114 998 963	0	114 998 963
Other materials	269 734 323	269 734 323	266 170 696	400 000	266 570 696
Total Direct Operating Expenditure	10 129 615 356	10 171 721 215	10 260 010 357	36 552 328	10 296 562 684

The pie chart (Figure 2) below depicts split of operating expenditure budget per category. Employee costs and Electricity Bulk Purchases represent the largest cost of the municipality 26% and 28% of the total operating expenditure respectively. Depreciation totals 5% of the total cost base for the institution. This represents the proportional funding requirements for the replacement of existing infrastructure assets. General Expenses/Other Expenditure accounts for 6% and Other Materials account for 3% of the total operating budget. Repairs and Maintenance is equal to 5% of the operating expenditure budget. Transfers and Grants paid account for 1% and Operating Projects account for 5%. Debt impairment also account for 17%. Contracted Services account for 2%, and Remuneration of Councillors account for 1%.

Figure 2: 2024/2025 Operating Expenditure per Type



5.5.1 Third Budget Adjustments on Operating Projects

The following tables (table 5 and 6) tabulate adjustments to the operating projects expenditure budget per funding source and per directorate respectively. It shows a total increase of R8 159 261 to the Operating projects budget.

Table 5: 2024/2025 Third Adjustments to Operating Projects - Funding Source

FUNDING SOURCE	2024/2025 APPROVED OPEX BUDGET	2024/2025 FIRST ADJUSTMEN TS BUDGET	2024/2025 MID-YEAR ADJUSTMEN TS BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJUSTMENTS BUDGET
TOTAL OWN FUNDING	84 597 617	84 597 617	117 974 879	768 916	118 743 795
URBAN SETTLEMENT DEVELOPMENT GRANT	46 710 950	36 710 950	45 710 950	5 000 000	50 710 950
FINANCE MANAGEMENT GRANT	885 000	885 000	1 000 000	(26 892)	973 108
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	24 767 799	24 767 799	26 467 799	(6 506 988)	19 960 811
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	10 800 000	10 800 000	10 800 000	0	10 800 000
PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)	15 000 000	15 000 000	15 000 000	0	15 000 000
EXPANDED PUBLIC WORKS PROGRAMME	2 314 000	2 314 000	2 314 000	0	2 314 000
HUMAN SETTLEMENTS DEVELOPMENT GRANT	125 000 000	125 000 000	127 224 141	0	127 224 141
HUMAN SETTLEMENTS DEVELOPMENT GRANT C/O	0	52 340 858	52 340 858	0	52 340 858
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	36 000 000	35 655 000	35 655 000	0	35 655 000
SETA	19 476 375	19 476 375	19 476 375	(7 394 297)	12 082 078
CITY OF OLDENBURG	0	110 000	360 000	0	360 000
DEPARTMENT OF TRANSPORT	0	0	75 000 000	0	75 000 000
TOTAL GRANTS	280 954 124	323 059 982	411 349 123	(8 928 177)	402 420 946
TOTAL OPERATING PROJECTS BUDGET	365 551 741	407 657 599	529 324 003	(8 159 261)	521 164 742

Table 6: 2024/2025 Third Adjustments to Operating Projects – Directorate

DIRECTORATE	2024/2025 APPROVED OPEX BUDGET	2024/2025 FIRST ADJUSTMENT S BUDGET	2024/2025 MID-YEAR ADJUSTMENTS BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJUSTMENTS BUDGET
EXECUTIVE SUPPORT SERVICES	10 000 000	10 110 000	10 360 000	0	10 360 000
CITY MANAGER'S OFFICE	38 822 567	38 822 567	43 072 567	0	43 072 567
CORPORATE SERVICES	12 800 000	12 800 000	12 800 000	0	12 800 000
SPATIAL PLANNING & DEVELOPMENT	10 434 249	10 434 249	8 934 249	(2 006 988)	6 927 261
ECONOMIC DEVELOPMENT & AGENCIES	39 226 375	38 881 375	36 793 985	(6 625 381)	30 168 604
FINANCE SERVICES	11 185 000	11 185 000	19 210 190	(26 892)	19 183 298
PUBLIC SAFETY & EMERGENCY SERVICES	2 750 000	2 750 000	4 050 000	0	4 050 000
HUMAN SETTLEMENTS	145 583 550	197 924 408	201 151 555	(4 500 000)	196 651 555
INFRASTRUCTURE SERVICES	53 300 000	43 300 000	132 600 000	5 000 000	137 600 000
SPORTS, RECREATION & COMMUNITY DEVELOPMENT	6 600 000	6 600 000	6 900 000	0	6 900 000
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	34 850 000	34 850 000	53 451 457	0	53 451 457
TOTAL OPERATING PROJECTS	365 551 741	407 657 599	529 324 003	(8 159 261)	521 164 742

The details of adjustments per programme/project are reflected on the schedule of operating projects that is attached as **Annexure 1** where the projects have been rolled up at programme level (**Annexure 1.1** has also been attached and provides details of accounts / votes that make up a programme / project).

5.6 **CAPITAL EXPENDITURE FRAMEWORK**

The tables (table 7 and 8) below indicate adjustments to the capital expenditure budget per funding source and per directorate respectively. It shows a downward adjustment of R7 551 120 in the Capital Budget. These adjustments are mainly for aligning the capital budget with the newly issued Government Gazette 52381. The effects of the adjustments are tabulated in the below tables (table 7 and 8).

Budget re-allocations have also been made between capital projects within the same funding source. A detailed analysis was undertaken to determine those projects that are having challenges and identify those that are progressing at a pace that is above the original anticipation and therefore requiring additional funding. This was used as the basis to allocate additional funding and reallocating funding without compromising the municipality's strategic objectives and priorities as set up in the IDP. Details of all the budget reallocations are reflected in Annexure 2 (where the projects have been rolled up at programme level) & Annexure 2.1 (provides the detail of accounts / votes that make up the programme / project).

Table 7: 2024/2025 Third Adjustments to Capital Expenditure Budget – Funding

CAPITAL BUDGET PER FUNDING	2024/2025 APPROVED CAPITAL BUDGET	2024/2025 FIRST ADJUSTMENT CAPITAL BUDGET	2024/2025 MID- YEAR ADJUSTMENT CAPITAL BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJUSTMENT CAPITAL BUDGET
TOTAL OWN FUNDING	442 551 560	523 040 620	523 040 621	(12 000 000)	511 040 621
URBAN SETTLEMENT DEVELOPMENT GRANT	488 654 050	498 654 050	489 654 050	85 000 000	574 654 050
FINANCE MANAGEMENT GRANT	115 000	115 000	0	26 892	26 892
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	279 939 201	279 939 201	278 239 201	-62 578 012	215 661 189
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	19 655 000	19 655 000	20 000 000	-18 000 000	2 000 000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	200 000	200 000	200 000	0	200 000
MUNICIPAL DISASTER RESPONSE GRANT	0	0	44 600 000	0	44 600 000
DISASTER RECOVERY GRANT	0	0	78 000 000	0	78 000 000
TOTAL GRANTS	788 563 251	798 563 251	910 693 251	4 448 880	915 142 131
TOTAL CAPITAL BUDGET	1 231 114 811	1 321 603 871	1 433 733 872	(7 551 120)	1 426 182 752

Table 8: 2024/2025 Third Adjustments to Capital Expenditure Budget – Directorate

CAPITAL BUDGET PER DIRECTORATE	2024/2025 APPROVED CAPITAL BUDGET	2024/2025 FIRST ADJUSTMENT CAPITAL BUDGET	2024/2025 MID- YEAR ADJUSTMENT CAPITAL BUDGET	ADJUSTMENTS	2024/2025 THIRD ADJUSTMENT CAPITAL BUDGET
EXECUTIVE SUPPORT SERVICES	500 000	500 000	1 040 000	0	1 040 000
CITY MANAGER'S OFFICE	9 650 000	10 075 674	18 075 674	0	18 075 674
CORPORATE SERVICES	16 700 000	19 052 214	18 625 149	0	18 625 149
SPATIAL PLANNING & DEVELOPMENT	81 907 810	82 557 813	82 182 813	0	82 182 813
ECONOMIC DEVELOPMENT & AGENCIES	42 888 554	48 764 518	44 631 928	(12 778 710)	31 853 218
FINANCE SERVICES	78 058 365	80 084 361	98 577 415	26 892	98 604 307
PUBLIC SAFETY & EMERGENCY SERVICES	18 050 000	46 696 746	45 696 746	0	45 696 746
HUMAN SETTLEMENTS	225 926 643	225 926 643	227 226 643	(21 678 807)	205 547 836
INFRASTRUCTURE SERVICES	650 863 439	684 638 191	801 060 434	28 005 853	829 066 287
DIRECTORATE OF SPORTS, RECREATION & COMMUNITY DEVELOPMENT	25 850 000	29 009 407	35 109 407	(1 126 348)	33 983 059
DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT	80 470 000	94 048 305	61 257 664	0	61 257 664
TOTAL CAPITAL BUDGET: BCMM	1 230 864 811	1 321 353 871	1 433 483 872	(7 551 120)	1 425 932 752
BCMDA	250 000	250 000	250 000	0	250 000
TOTAL CAPITAL: CONSOLIDATED	1 231 114 811	1 321 603 871	1 433 733 872	(7 551 120)	1 426 182 752

6. CHALLENGES

None.

7. STAFF IMPLICATIONS

The adjustment budget is linked to the Performance Plans of Head of Departments and are therefore responsible to spend the revised budget.

8. FINANCIAL IMPLICATIONS

The Third adjustments to the 2024/2025 budget do not have an impact on tariffs as these adjustments are resulting from an additional allocation from National treasury. The effects of the adjustments to the 2024/2025 Capital and Operating Budget are outlined below:

A. The adjusted budget of the Parent municipality (BCMM) for the 2024/2025 Third Adjustments Budget as follows:

- i. The adjustment from R10 176 320 785 to R10 212 873 112 of the BCMM 2024/2025 Operating Revenue Budget.
- ii. The adjustment from R10 171 124 875 to R10 207 677 202 of the BCMM 2024/2025 Operating Expenditure Budget.
- iii. The adjustment from R1 433 483 872 to R1 425 932 752 of the BCMM 2024/2025 Capital Budget.

B. The consolidated adjusted budget for the 2024/2025 Third Adjustments Budget as follows:

- i. The adjustment from R10 265 206 291 to R10 301 758 618 of the consolidated 2024/2025 Operating Revenue Budget.
- ii. The adjustment from R10 260 010 356 to R10 296 562 683 of the consolidated 2024/2025 Operating Expenditure Budget.
- iii. The adjustment from R1 433 733 872 to R1 426 182 752 of the consolidated 2024/2025 Capital Budget.

9. OTHER PARTIES CONSULTED

All Directorates.

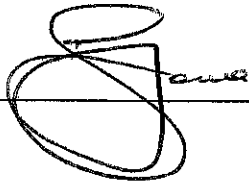
10. CITY MANAGER'S QUALITY CERTIFICATE

I, Mxolisi Yawa, Acting City Manager of Buffalo City Metropolitan Municipality, hereby certify that the adjusted budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Mxolisi Yawa

Acting City Manager of Buffalo City Metropolitan Municipality (BUF)

Signature

A handwritten signature in black ink, appearing to be 'Mxolisi Yawa', written over a horizontal line.

Date

22 / 04 / 2025