

REPORT TO COUNCIL: 26 FEBRUARY 2025

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AUTHOR: Executive Mayor (Princess Faku)/my

MID-YEAR 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 Mid-Year Adjustments Budget of 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

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 authorise the utilisation of projected savings in one vote towards

- spending under another vote;*
- (d) may correct any errors in the annual budget; and*
- (e) 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.”*

According to the Municipal Budget and Reporting Regulations (MBRR), 2009, (Reg. 23)

“(1) an adjustments budget referred to in Section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.”

“An adjustment budget and supporting documentation 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).

In terms of Section 54(1) on receipt of a statement or report submitted by the Accounting Officer of the municipality and in terms of Section 71 or 72, the Mayor must—

“(c) consider and, if necessary, make any revisions to the Service Delivery and Budget Implementation Plan, provided that the revision to the service delivery targets and performance indicators in the plan may only be made with the approval of the Council following approval of an adjustment.”

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

5. EXPOSITION OF FACTS

The mid-year adjustments budget is being prepared as informed by the Mid-Year Budget and Performance Assessment and certain adjustments have been identified in terms of Section 28(2) of the MFMA. The Mid-Year Budget and Performance Assessment was tabled at Council on 24th January 2025. The following are the main reasons for the adjustment budget but not limited to:

- i. Appropriation of additional revenue (grant funding) that has been allocated to BCMM;
- ii. Reduction of the collection rate; and
- iii. Revision and re-allocation of budget between capital and operating budget, votes, expenditure categories and revenue sources in order to improve operational efficiencies and service delivery.

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	ADJUSTMENTS	2024/2025 MID-YEAR ADJ. BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
Total Revenue	10 045 925 785	10 088 031 644	88 289 141	10 176 320 785	10 931 597 465	11 773 418 282
Total Operating Expenditure Excluding Operating Projects	9 675 178 134	9 675 178 134	-33 377 262	9 641 800 872	10 367 169 865	11 230 326 466
Operating Projects	365 551 741	407 657 600	121 666 403	529 324 003	545 172 500	492 932 233
Total Operating Expenditure Including Operating Projects	10 040 729 875	10 082 835 734	88 289 141	10 171 124 875	10 912 342 365	11 723 258 699
Surplus /(Deficit)	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	112 130 000	1 433 483 872	1 278 092 976	1 343 573 663
Total Opex and Capex Budget	11 271 594 686	11 404 189 605	200 419 141	11 604 608 746	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	ADJUSTMENTS	2024/2025 MID-YEAR ADJ. BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
Total Revenue	10 134 811 291	10 176 917 150	88 289 141	10 265 206 291	10 977 642 052	11 821 177 918
Total Operating Expenditure Excluding Operating Projects	9 764 063 615	9 764 063 615	-33 377 262	9 730 686 353	10 413 214 453	11 278 086 102
Operating Projects	365 551 741	407 657 600	121 666 403	529 324 003	545 172 500	492 932 233
Total Operating Expenditure Including Operating Projects	10 129 615 356	10 171 721 215	88 289 141	10 260 010 356	10 958 386 953	11 771 018 335
Surplus / (Deficit)	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	112 130 000	1 433 733 872	1 278 342 998	1 344 193 682
Total Opex and Capex Budget	11 360 730 167	11 493 325 086	200 419 141	11 693 744 227	12 236 729 951	13 115 212 017

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

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5.1 EXECUTIVE MAYOR'S REPORT

The 2024/2025 mid-year adjustments budget is being prepared as informed by the Mid-Year Budget and Performance Assessment and in terms of the MFMA and Municipal Budget and Reporting Regulations. The main reason for this adjustment budget is to reduce collection rate, appropriate additional revenue that has become available, the revision and re-allocation of budget between capital and operating budget votes, expenditure categories and revenue sources in order to improve operational efficiencies for improved service delivery. The following table provides a high-level summary of the Consolidated Operating and Capital Budget Adjustments:

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

OPERATING AND CAPITAL BUDGET EXPENDITURE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJ. BUDGET	ADJUSTMENTS	2024/2025 MID-YEAR ADJ. BUDGET	2025/2026 FINAL BUDGET	2026/2027 FINAL BUDGET
Total Revenue	10 134 811 291	10 176 917 150	88 289 141	10 265 206 291	10 977 642 052	11 821 177 918
Total Operating Expenditure	10 129 615 356	10 171 721 215	88 289 141	10 260 010 356	10 958 386 953	11 771 018 335
Surplus / (Deficit)	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	112 130 000	1 433 733 872	1 278 342 998	1 344 193 682
Total Opex and Capex Budget	11 360 730 167	11 493 325 086	200 419 142	11 693 744 227	12 236 729 951	13 115 212 017

The following factors were considered in the formulation of the mid-year adjustments budget:

- Projected annual revenue for all revenue sources after taking into consideration the actual revenue realised in the mid-year.
- Ability to improve revenue performance.
- Adjustments between the different expenditure types as requested by directorates.
- Adjustments between the different expenditure types for correct classification.
- Continuous enforcement of cost containment measures.
- Funding availability and affordability.

(g) Collection ratio currently sitting at 68.31% in December 2024 versus 77% budgeted.

(h) Status of implementation readiness for each project.

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. 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 Mid-Year Adjustment Budget as follows:
 - i. The adjustment from R10 088 031 644 to R10 176 320 785 of the BCMM 2024/2025 Operating Revenue Budget.
 - ii. The adjustment from R10 082 835 734 to R10 171 124 875 of the BCMM 2024/2025 Operating Expenditure Budget.
 - iii. The adjustment from R1 321 353 871 to R1 433 483 872 of the BCMM 2024/2025 Capital Budget.
- B. The consolidated adjusted budget for the 2024/2025 Mid-Year Adjustment Budget as follows:
 - i. The adjustment from R10 176 917 150 to R10 265 206 291 of the consolidated 2024/2025 Operating Revenue Budget.
 - ii. The adjustment from R10 171 721 215 to R10 260 010 356 of the consolidated 2024/2025 Operating Expenditure Budget.
 - iii. The adjustment from R1 321 603 871 to R1 433 733 872 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

18/02/2025

DATE

5.3 EXECUTIVE SUMMARY

BCMM continues to take a more conservative approach in the manner in which it approaches budgeting including this second adjustment budget. This approach involved an intensive internal process of assessing mid-year performance as well as determining whether the grant funding allocated to the City is committed to identifiable projects.

Having assessed the consolidated mid-year performance of the City, the collection rate has been revised downwards from 77% to 76%, this has resulted in an increase of R73 118 620 in the budgeted amount for debt impairment. The increase in debt impairment has been funded through budget cuts to other operating expenditure items. Operating revenue budget has been increased by R88 289 141 from R10 176 917 150 to R10 265 206 291. The operating expenditure budget has been increased by R88 289 141 from R10 171 721 215 to R10 260 010 356; these are detailed in section 5.4 and 5.5 of the report. The overall operating surplus before capital transfers remains stagnant at R5 195 935. The capital expenditure budget has been increased by R112 130 000 from R1 321 603 871 to R1 433 733 872; this is detailed in section 5.6 of the report.

5.3.1 Budget Adjustment Summary

The main reason for this adjustment budget is to revise downwards the targeted collection rate, appropriate additional revenues that have become available and the re-allocation of budget between capital and operating budget, votes, expenditure types to improve operational efficiencies and service delivery. The table below indicates the summary of the 2024/2025 consolidated mid-year adjustments budget.

Table 2: 2024/2025 Consolidated Mid-Year Adjustment Budget Summary

OPERATING AND CAPITAL BUDGET EXPENDITURE	2024/2025	2024/2025		2024/2025	2025/2026	2026/2027
	APPROVED	FIRST	ADJUSTMENTS	MID-YEAR	FINAL	FINAL
	BUDGET	ADJ. BUDGET		ADJ. BUDGET	BUDGET	BUDGET
Total Revenue	10 134 811 291	10 176 917 150	88 289 141	10 265 206 291	10 977 642 052	11 821 177 918
Total Operating Expenditure Excluding Operating Projects	9 764 063 615	9 764 063 615	-33 377 262	9 730 686 353	10 413 214 453	11 278 086 102
Operating Projects	365 551 741	407 657 600	121 666 403	529 324 003	545 172 500	492 932 233
Total Operating Expenditure Including Operating Projects	10 129 615 356	10 171 721 215	88 289 141	10 260 010 356	10 958 386 953	11 771 018 335
Surplus /(Deficit)	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	112 130 000	1 433 733 872	1 278 342 998	1 344 193 682
Total Opex and Capex Budget	11 360 730 167	11 493 325 086	200 419 141	11 693 744 227	12 236 729 951	13 115 212 017

5.4 OPERATING REVENUE FRAMEWORK

The following factors were taken into consideration in arriving to the proposed adjustments in the City's Revenue Framework:

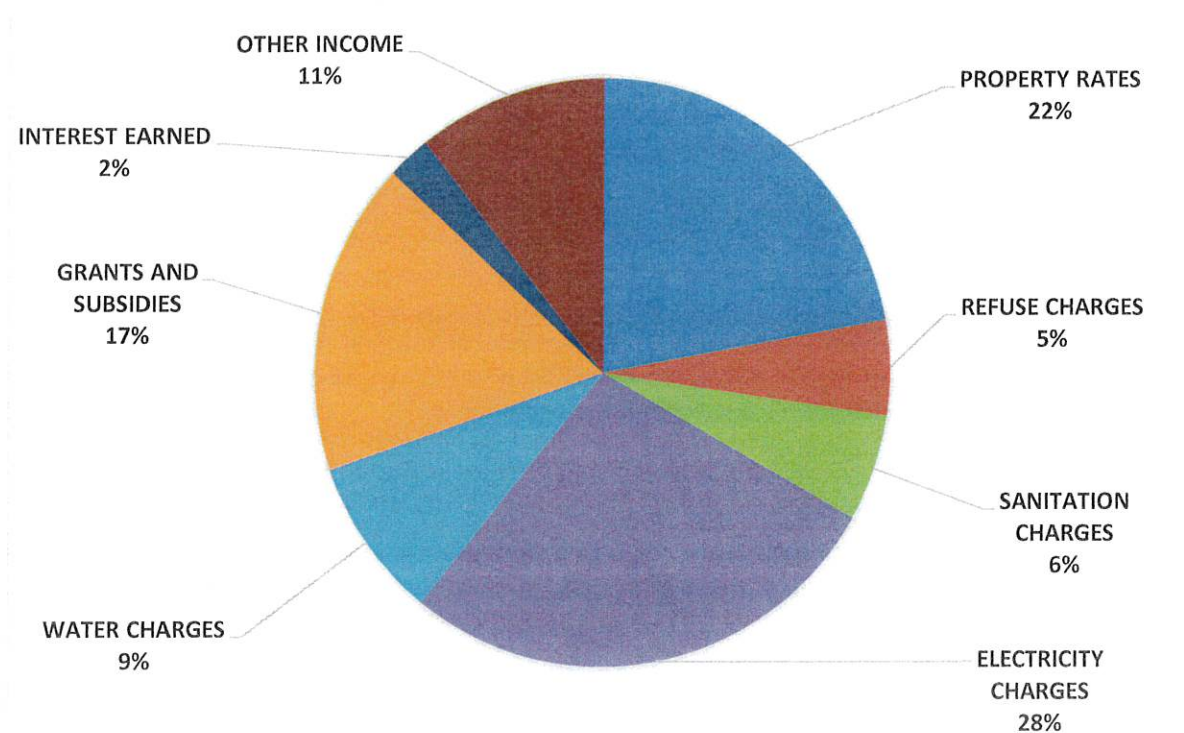
- (a) Projected annual revenue for all revenue sources after taking into consideration the actual revenue realised in the mid-year.
- (b) Ability to improve revenue performance.
- (c) Any additional Operating Transfers

The following table (Table 3) depicts adjustments to the consolidated operating revenue budget per source. Table 3 below reflects that there has been an increase in revenue totalling to R88 289 141.

Table 3: 2024/25 Consolidated Mid-Year Adjusted Revenue per Source

REVENUE BY SOURCE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJUSTMENT BUDGET	ADJUSTMENTS	2024/2025 MID- YEAR YEAR ADJUSTMENT BUDGET
Exchange Revenue				
Service charges - Electricity	2 835 813 816	2 835 813 816	0	2 835 813 816
Service charges - Water	911 567 707	911 567 707	0	911 567 707
Service charges - Waste Water Management	603 379 368	603 379 368	0	603 379 368
Service charges - Waste Management	535 776 573	535 776 573	0	535 776 573
Sale of Goods and Rendering of Services	153 109 768	153 109 768	0	153 109 768
Agency services	28 176 903	28 176 903	0	28 176 903
Interest earned from Receivables	222 299 092	222 299 092	0	222 299 092
Interest earned from Current and Non-Current Assets	25 655 547	25 655 547	0	25 655 547
Rental from Fixed Assets	24 262 696	24 262 696	0	24 262 696
Operational Revenue	88 261 110	88 261 110	0	88 261 110
Non-Exchange Revenue				
Property rates	2 269 496 542	2 269 496 542	0	2 269 496 542
Fines, penalties and forfeits	9 691 234	9 691 234	0	9 691 234
Licences or permits	14 022 111	14 022 111	0	14 022 111
Transfer and subsidies - Operational	1 636 166 824	1 678 272 683	88 289 141	1 766 561 824
Fuel Levy	777 132 000	777 132 000	0	777 132 000
TOTAL OPERATING REVENUE	10 134 811 291	10 176 917 150	88 289 141	10 265 206 291

Figure 1: 2024/2025 Consolidated Operating Revenue per Source



5.5 OPERATING EXPENDITURE FRAMEWORK

In arriving to the proposed operating expenditure framework adjustments in the mid-year adjustment budget, the following factors were considered:

- (a) Reduction of collection rate from 77% to 76%
- (b) Budget reduction on expenditure items
- (c) Critical additional budget requests received.
- (d) Adjustments between the different expenditure types as requested by directorates.
- (e) Adjustments between the different expenditure types for correct classification.
- (f) Continuous enforcement of cost containment measures.
- (g) Funding availability and affordability.
- (h) Status of implementation readiness for each project.

The following table (Table 4) details adjustments to the consolidated operating expenditure budget per category. Table 4 below reflects that there is a total increase of R88 289 141 in the budgeted expenditure of the city. The adjustments in table 4 below reflect budget reductions & reallocations of the budget to fund critical expenditure

items. It also reflects reallocation of funding between the expenditure types to improve operational efficiency.

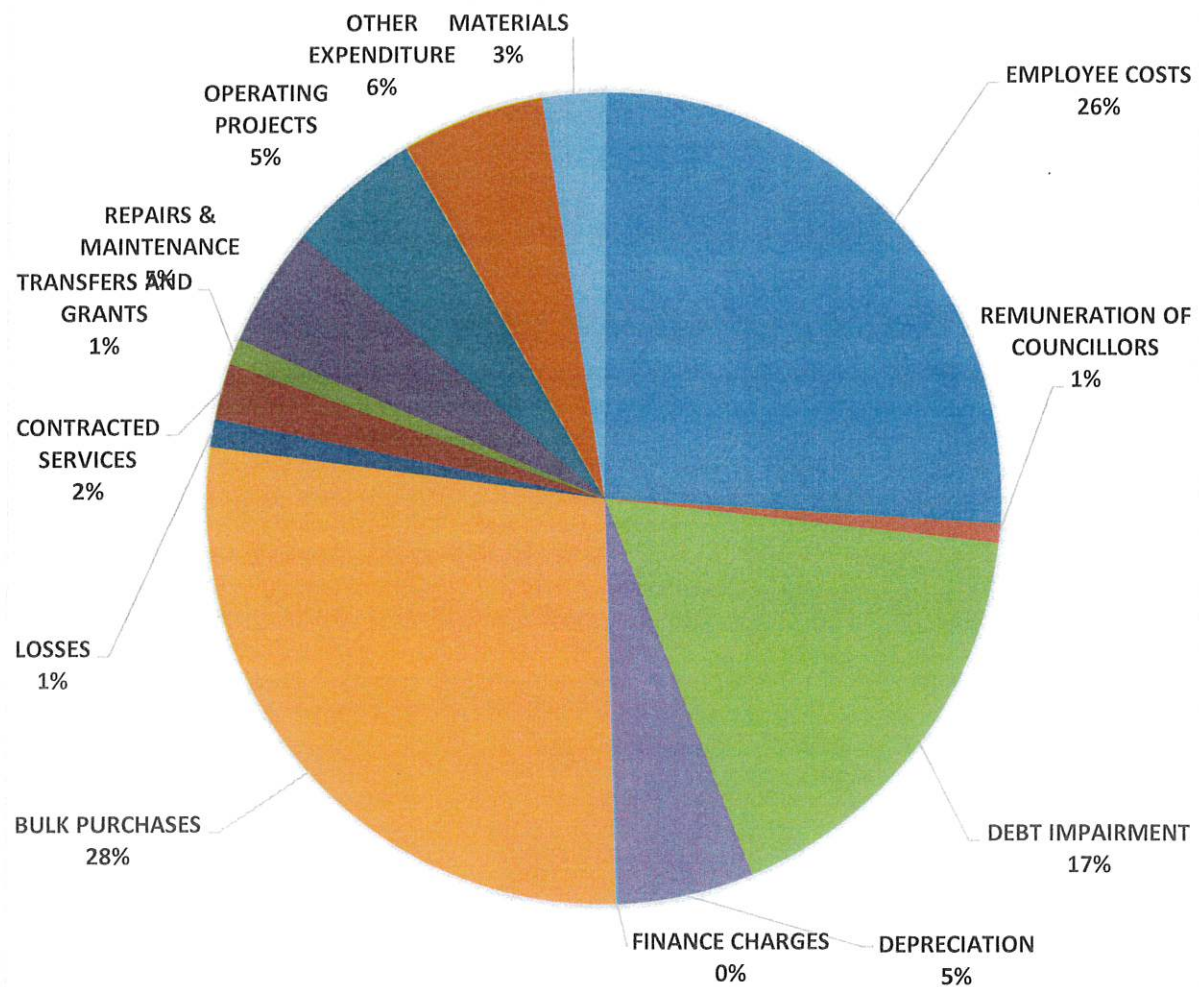
Table 4: 2024/2025 Consolidated Mid-Year Adjusted Expenditure Budget per Category

EXPENDITURE TYPE	2024/2025 APPROVED BUDGET	2024/2025 FIRST ADJUSTMENT BUDGET	ADJUSTMENTS	2024/2025 MID-YEAR ADJUSTMENT BUDGET
Employee related costs	2 900 668 489	2 900 668 489	-233 381 806	2 667 286 683
Remuneration of councillors	77 685 850	77 685 850	0	77 685 850
Debt impairment	1 681 728 272	1 681 728 272	73 118 620	1 754 846 892
Depreciation & asset impairment	567 615 359	567 615 359	0	567 615 359
Finance charges	8 966 469	8 966 469	0	8 966 469
Electricity Bulk Purchases	2 832 585 844	2 832 585 844	0	2 832 585 844
Contracted services	193 323 715	193 323 715	63 833 131	257 156 846
Transfers and grants	100 950 580	100 950 580	1 900 000	102 850 580
Repairs and Maintenance	525 069 817	525 069 817	-37 613 656	487 456 161
Operating projects	365 551 741	407 657 600	121 666 403	529 324 003
Other expenditure	490 735 934	490 735 934	102 330 076	593 066 010
Losses	114 998 963	114 998 963	0	114 998 963
Other materials	269 734 323	269 734 323	-3 563 627	266 170 696
Total Direct Operating Expenditure	10 129 615 356	10 171 721 215	88 289 141	10 260 010 357

After assessing the mid-year performance of the City and taking into account the considerations that are indicated above, it has been necessary that the above adjustments on the Operating Expenditure Budget be made:

The pie chart (Figure 2) below depicts split of operating expenditure budget per category. Employee Costs and 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%. Debt impairment also account for 17%. Contracted Services account for 2% and Remuneration of Councillors account for 1%.

Figure 2: 2024/2025 Consolidated Operating Expenditure per Type



5.5.1 Mid-Year Budget Adjustment on Operating Projects

The following tables (table 5 and 6) tabulates adjustments to the operating projects expenditure budget per funding source and per directorate respectively. It shows a total increase of R121 666 403 (an increase of R33 377 262 in Own funding and an increase of R88 289 141 in Grant funding).

Table 5: 2024/2025 Consolidated Mid-Year Adjustments to Operating Projects
- Funding Source

FUNDING SOURCE	2024/2025 APPROVED OPEX BUDGET	2024/2025 FIRST ADJUSTMENTS BUDGET	ADJUSTMENTS	2024/2025 MID-YEAR ADJUSTMENTS BUDGET
OWN FUNDING	83 497 617	84 597 617	33 377 262	117 974 879
TOTAL OWN FUNDING	83 497 617	84 597 617	33 377 262	117 974 879
URBAN SETTLEMENT DEVELOPMENT GRANT	46 710 950	36 710 950	9 000 000	45 710 950
FINANCE MANAGEMENT GRANT	885 000	885 000	115 000	1 000 000
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	24 767 799	24 767 799	1 700 000	26 467 799
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	10 800 000	10 800 000	0	10 800 000
PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)	15 000 000	15 000 000	0	15 000 000
EXPANDED PUBLIC WORKS PROGRAMME	2 314 000	2 314 000	0	2 314 000
HUMAN SETTLEMENTS DEVELOPMENT GRANT	125 000 000	125 000 000	2 224 141	127 224 141
HUMAN SETTLEMENTS DEVELOPMENT GRANT C/O	0	52 340 859	0	52 340 859
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	36 000 000	35 655 000	0	35 655 000
SETA	19 476 375	19 476 375	0	19 476 375
CITY OF OLDENBURG	0	110 000	250 000	360 000
DEPARTMENT OF TRANSPORT	0	0	75 000 000	75 000 000
TOTAL GRANTS	280 954 124	323 059 983	88 289 141	411 349 124
TOTAL OPERATING PROJECTS BUDGET	364 451 741	407 657 600	121 666 403	529 324 003

Table 6: 2024/2025 Consolidated Mid-Year Adjustments to Operating Projects –
Directorate

DIRECTORATE	2024/2025 APPROVED OPEX BUDGET	2024/2025 FIRST ADJUSTMENTS BUDGET	ADJUSTMENTS	2024/2025 MID-YEAR ADJUSTMENTS BUDGET
EXECUTIVE SUPPORT SERVICES	10 000 000	10 110 000	250 000	10 360 000
CITY MANAGER'S OFFICE	38 822 567	38 822 567	4 250 000	43 072 567
CORPORATE SERVICES	12 800 000	12 800 000	0	12 800 000
SPATIAL PLANNING & DEVELOPMENT	10 434 249	10 434 249	-1 500 000	8 934 249
ECONOMIC DEVELOPMENT & AGENCIES	39 226 375	38 881 375	-2 087 390	36 793 985
FINANCE SERVICES	11 185 000	11 185 000	8 025 190	19 210 190
PUBLIC SAFETY & EMERGENCY SERVICES	2 750 000	2 750 000	1 300 000	4 050 000
HUMAN SETTLEMENTS	145 583 550	197 924 409	3 227 147	201 151 556
INFRASTRUCTURE SERVICES	53 300 000	43 300 000	89 300 000	132 600 000
DIRECTORATE OF SPORTS, RECREATION & COMMUNITY DEVELOPMENT	6 600 000	6 600 000	300 000	6 900 000
DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT	34 850 000	34 850 000	18 601 457	53 451 457
TOTAL OPERATING PROJECTS	365 551 741	407 657 600	121 666 403	529 324 003

Table 5 & 6 above depicts that the overall consolidated operating projects expenditure budget is adjusted upwards by R121 666 403 from R407 657 600 to R529 324 003. It reflects that the total own funding budget is increasing by R33 377 262 from R84 597 617 to R117 974 879. The overall grant funding that is allocated to the operating projects is increasing by R88 289 141 from R323 059 983 to R411 349 124.

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 following factors were considered in arriving in the proposed adjustments on the capital expenditure framework:

- (a) Decrease in cash reserves and liquidity position.
- (b) Identified savings versus additional budget requests received.
- (c) Continuous enforcement of cost containment measures.
- (d) Funding availability and affordability.
- (e) Status of implementation readiness for each project.

The tables (table 7 and 8) below indicate adjustments to the capital expenditure budget per funding source and per directorate respectively. To arrive in the adjustments that are summarised in the two tables (table 7 and 8) below, 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 for re-allocating funding without compromising the municipality's strategic objectives and priorities as set up in the IDP. Details of reallocation of funding are provided below.

5.6.1 2024/2025 Mid-Year Adjustments to Consolidated Capital Expenditure Budget

Table 7 & 8 above indicate that the overall consolidated capital expenditure budget is adjusted upwards by R112 130 000 from R1 321 603 871 to R1 433 733 872.

Table 7: 2024/2025 Mid-Year Adjustments to Capital Expenditure Budget – Funding

CAPITAL BUDGET PER FUNDING	2024/2025 APPROVED CAPITAL BUDGET	2024/2025 FIRST ADJUSTMENT CAPITAL BUDGET	ADJUSTMENTS	2024/2025 MID- YEAR ADJUSTMENT CAPITAL BUDGET
TOTAL OWN FUNDING	442 551 560	523 040 620	0	523 040 621
URBAN SETTLEMENT DEVELOPMENT GRANT	488 654 050	498 654 050	-9 000 000	489 654 050
FINANCE MANAGEMENT GRANT	115 000	115 000	-115 000	0
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	279 939 201	279 939 201	-1 700 000	278 239 201
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	19 655 000	19 655 000	345 000	20 000 000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	200 000	200 000	0	200 000
MUNICIPAL DISASTER RESPONSE GRANT	0	0	44 600 000	44 600 000
DISASTER RECOVERY GRANT	0	0	78 000 000	78 000 000
TOTAL GRANTS	788 563 251	798 563 251	112 130 000	910 693 251
TOTAL CAPITAL BUDGET	1 231 114 811	1 321 603 871	112 130 000	1 433 733 872

Table 8: 2024/2025 Mid-Year Adjustments to Capital Expenditure Budget - Directorate

CAPITAL BUDGET PER DIRECTORATE	2024/2025 APPROVED CAPITAL BUDGET	2024/2025 FIRST ADJUSTMENT CAPITAL BUDGET	ADJUSTMENTS	2024/2025 MID-YEAR ADJUSTMENT CAPITAL BUDGET
EXECUTIVE SUPPORT SERVICES	500 000	500 000	540 000	1 040 000
CITY MANAGER'S OFFICE	9 650 000	10 075 674	8 000 000	18 075 674
CORPORATE SERVICES	16 700 000	19 052 214	-427 065	18 625 149
SPATIAL PLANNING & DEVELOPMENT	81 907 810	82 557 813	-375 000	82 182 813
ECONOMIC DEVELOPMENT & AGENCIES	42 888 554	48 764 518	-4 132 590	44 631 928
FINANCE SERVICES	78 058 365	80 084 361	18 493 054	98 577 415
PUBLIC SAFETY & EMERGENCY SERVICES	18 050 000	46 696 746	-1 000 000	45 696 746
HUMAN SETTLEMENTS	225 926 643	225 926 643	1 300 000	227 226 643
INFRASTRUCTURE SERVICES	650 863 439	684 638 191	116 422 243	801 060 434
DIRECTORATE OF SPORTS, RECREATION & COMMUNITY DEVELOPMENT	25 850 000	29 009 407	6 100 000	35 109 407
DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT	80 470 000	94 048 305	-32 790 641	61 257 664
TOTAL CAPITAL BUDGET: BCMM	1 230 864 811	1 321 353 871	112 130 000	1 433 483 872
BCMDA	250 000	250 000	0	250 000
TOTAL CAPITAL: CONSOLIDATED	1 231 114 811	1 321 603 871	112 130 000	1 433 733 872

The details of adjustments per programme/project are reflected on the schedule of operating projects that is attached as **Annexure 2** where the projects have been rolled up at programme level (**Annexure 2.1** has also been attached, it provides the detail of accounts / votes that make up the programme / project).

6. CHALLENGES

None.

7. STAFF IMPLICATIONS

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

8. FINANCIAL IMPLICATIONS

The mid-year adjustments to the consolidated 2024/2025 budget do not have an impact on tariffs as these are funded from current operating revenue that was already approved by Council, conditional grants and own funding reserves. The effects of the adjustments to the consolidated 2024/2025 Operating and Capital Budget are outlined below:

A. The adjusted budget of the Parent municipality (BCMM) for the 2024/2025 Mid-Year Adjustment Budget as follows:

- i. The adjustment from R10 088 031 644 to R10 176 320 785 of the BCMM 2024/2025 Operating Revenue Budget.
- ii. The adjustment from R10 082 835 734 to R10 171 124 875 of the BCMM 2024/2025 Operating Expenditure Budget.
- iii. The adjustment from R1 321 353 871 to R1 433 483 872 of the BCMM 2024/2025 Capital Budget.

B. The consolidated adjusted budget for the 2024/2025 Mid-Year Adjustment Budget as follows:

- i. The adjustment from R10 176 917 150 to R10 265 206 291 of the consolidated 2024/2025 Operating Revenue Budget.
- ii. The adjustment from R10 171 721 215 to R10 260 010 356 of the consolidated 2024/2025 Operating Expenditure Budget.
- iii. The adjustment from R1 321 603 871 to R1 433 733 872 of the consolidated 2024/2025 Capital Budget.

9. OTHER PARTIES CONSULTED

- 9.1 All Directorates.
- 9.2 Budget Steering Committee
- 9.3 Buffalo City Metropolitan Council.

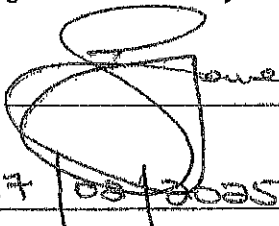
10. CITY MANAGER'S QUALITY CERTIFICATE

I, Mxolisi Yawa, 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 adjusted budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Mxolisi Yawa

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

17 / 08 / 2025

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: National Treasury B Schedules (Consolidated)

Annexure 4: National Treasury B Schedules (Parent Municipality)