REPORT TO COUNCIL: 22 OCTOBER 2026

File No.:5/1/1/1[25/26]

AUTHOR: Executive Mayor (P. Faku)/my

FIFTH ADJUSTMENTS BUDGET FOR THE 2025/2026 FINANCIAL YEAR

1. PURPOSE

The purpose of this report is for Council to **NOTE** the 2025/2026 fifth adjustment budget that has been prepared to incorporate the Buffalo City Metropolitan Development Agency (BCMDA) adjustments into the 2025/2026 BCMM Consolidated budget.

2. AUTHORITY

BCMDA Board of Directors.

Buffalo City Metropolitan Council.

3. LEGAL / STATUTORY REQUIREMENTS

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003 Chapter 4, Section 28

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, 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."

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

5. EXPOSITION OF FACTS

The fifth adjustment budget is being prepared to incorporate the 2025/2026 BCMDA adjustments as approved by the BCMDA board of directors into the 2025/2026 BCMM consolidated budget.

This process is in line with the Metro's Budget Management & Oversight Policy, MBRR, MFMA and other National Treasury guidelines such as MFMA Budget Circulars.

A. The following table provides a high-level summary of the Operating and Capital Budget Adjustments for the BCMDA municipal entity:

OPERATING AND CAPITAL BUDGET EXPENDITURE	2025/2026 APPROVED BUDGET	ADJUSTMENTS	2025/2026 ADJUSTED BUDGET	2026/2027 FINAL BUDGET	2027/2028 FINAL BUDGET
Total Revenue	61 998 875	5 235 544	67 234 419	66 293 006	70 596 105
Total Operating Expenditure Excluding Operating Projects	61 998 875	5 235 544	67 234 419	66 293 006	70 596 105
Operating Projects	0	0	0	0	0
Total Operating Expenditure Including Operating Projects	61 998 875	5 235 544	67 234 419	66 293 006	70 596 105
Surplus / (Deficit)	0	0	0	0	0
Total Capital Expenditure	100 000	196 122	296 122	700 000	726 400
Total Opex and Capex Budget	62 098 875	5 431 666	67 530 541	66 993 006	71 322 505

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

OPERATING AND CAPITAL BUDGET EXPENDITURE	2025/2026 APPROVED BUDGET	2025/2026 FIRST ADJ. BUDGET	2025/2026 CONDITIONAL GRANT ADJ. BUDGET	2025/2026 MID-YEAR ADJUSTMENT BUDGET	2025/2026 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2025/2026 FIFTH ADJUSTMENT BUDGET	2026/2027 FINAL BUDGET	2027/2028 FINAL BUDGET
Total Revenue	10 953 568 905	11 029 398 364	11 029 398 364	10 923 507 109	10 950 190 022	5 235 544	10 955 425 565	11 460 359 474	12 003 432 141
Total Operating Expenditure Excluding Operating Projects	10 390 318 510	10 390 318 524	10 390 318 523	10 339 872 672	10 368 225 624	5 235 544	10 373 461 167	10 931 581 188	11 515 564 214
Operating Projects	561 281 998	637 111 454	637 111 455	581 666 051	579 996 012	0	579 996 012	526 682 921	485 873 483
Total Operating Expenditure Including Operating Projects	10 951 600 508	11 027 429 978	11 027 429 978	10 921 538 722	10 948 221 636	5 235 544	10 953 457 180	11 458 264 109	12 001 437 697
Surplus / (Deficit)	1 968 397	1 968 386	1 968 386	1 968 386	1 968 385	0	1 968 385	2 095 365	1 994 444
Total Capital Expenditure	1 159 708 535	1 256 224 748	1 381 750 888	1 549 219 884	1 511 098 017	196 122	1 511 294 138	1 397 435 154	1 428 975 008
Total Opex and Capex Budget	12 111 309 043	12 283 654 726	12 409 180 866	12 470 758 606	12 459 319 655	5 431 665	12 464 751 320	12 855 699 263	13 430 412 705

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

Table of Contents

REPORT TO COUNCIL: 22 OCTOBER 2026 1

1. PURPOSE 1
2. AUTHORITY 1
3. LEGAL / STATUTORY REQUIREMENTS 1
4. BACKGROUND 1
5. EXPOSITION OF FACTS 3

LIST OF TABLES 5

LIST OF FIGURES 5

ABBREVIATIONS AND ACRONYMS 6

PART 1 – ADJUSTMENT BUDGET 8

5.1 EXECUTIVE MAYOR'S REPORT 8
5.2 COUNCIL RESOLUTIONS 8
5.3 EXECUTIVE SUMMARY 11
5.5 OPERATING EXPENDITURE FRAMEWORK 14
5.6 CAPITAL EXPENDITURE FRAMEWORK 16

PART 2 – SUPPORTING DOCUMENTATION 17

6. SUPPORTING DOCUMENTATION 17
6.1. ADJUSTMENT TO BUDGET ASSUMPTIONS 17
6.2. ADJUSTMENTS TO ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY 17
7. CHALLENGES 17
8. STAFF IMPLICATIONS 17
9. FINANCIAL IMPLICATIONS 17
10. OTHER PARTIES CONSULTED 18
11. CITY MANAGER'S QUALITY CERTIFICATE 19

LIST OF TABLES

Table 1: High Level Summary of Consolidated Operating and Capital Budget Adjustments 8
Table 2: 2025/2026 Consolidated Fifth Adjustment Budget Summary 11
Table 3: 2025/2026 Adjusted Revenue per Source 12
Table 4: 2025/2026 Adjusted Expenditure Budget per Category 14
Table 7:2025/2026 Adjusted Capital Expenditure Budget –Funding 16
Table 8: 2025/2026 Adjusted Capital Expenditure Budget – Directorate 16

LIST OF FIGURES

Figure 1: 2026/2025 Operating Revenue per Source 13
Figure 2: 2025/2026 Operating Expenditure per Type 15

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	SMME	Small Micro and Medium Enterprises
MTREF	Medium-term Revenue and Expenditure Framework	TRAs	Temporary Relocation Areas
NDPG	Neighbourhood Development Partnership Grant	UK	United Kingdom
NERSA	National Electricity Regulator South Africa	US	United States
NGO	Non-Governmental Organisations	USDG	Urban Settlement Development Grant
NKPIs	National Key Performance Indicators	VAT	Value Added Tax
NT	National Treasury	WSA	Waster Services Authority
OP	Operational Plan	WSDP	Water Services Development Plan
PPE	Property, Plant and Equipment		

PART 1 – ADJUSTMENT BUDGET

5.1 EXECUTIVE MAYOR'S REPORT

The 2025/2026 fifth adjustment budget emanates from the BCMDA 2025/2026 adjustments as approved by the BCMDA board of directors.

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

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

OPERATING AND CAPITAL BUDGET EXPENDITURE	2025/2026 APPROVED BUDGET	2025/2026 FIRST ADJ. BUDGET	2025/2026 CONDITIONAL GRANT ADJ. BUDGET	2025/2026 MID-YEAR ADJUSTMENT BUDGET	2025/2026 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2025/2026 FIFTH ADJUSTMENT BUDGET	2026/2027 FINAL BUDGET	2027/2028 FINAL BUDGET
Total Revenue	10 953 568 905	11 029 398 362	11 029 398 362	10 923 507 107	10 950 190 020	5 235 544	10 955 425 564	11 460 359 474	12 003 432 141
Total Operating Expenditure	10 951 600 508	11 027 429 967	11 027 429 980	10 921 538 725	10 948 221 638	5 235 544	10 953 457 181	11 458 264 109	12 001 437 697
Surplus / (Deficit)	1 968 397	1 968 395	1 968 382	1 968 382	1 968 382	0	1 968 382	2 095 365	1 994 444
Total Capital Expenditure	1 159 708 535	1 256 224 748	1 381 750 887	1 549 219 884	1 511 098 017	196 122	1 511 294 138	1 397 435 154	1 428 975 008
Total Opex and Capex Budget	12 111 309 043	12 283 654 715	12 409 180 867	12 470 758 609	12 459 319 655	5 431 665	12 464 751 320	12 855 699 263	13 430 412 705

5.2 COUNCIL RESOLUTIONS

On 28 May 2025 the Council of Buffalo City Metropolitan Municipality met to consider, approve and adopt the 2025/26 MTREF Budget. Council further met on 22 August 2025 to consider and approve the roll-over adjustment budget. On 15th December Council considered and approved the conditional grants rollover adjustment budget. On 25 February 2026, BCMM Council met to consider the 2025/2026 mid-year adjustment budget. On 25 August 2026, BCMM Council met to consider the 2025/2026 fourth 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 **notes:**

A. The BCMDA adjusted budget for the 2025/2026 financial year is as follows:

i. The adjustment from R61 998 875 to R67 234 418 of the BCMDA 2025/2026 Operating Revenue Budget.
ii. The adjustment from R61 998 875 to R67 234 418 of the BCMDA 2025/2026 Operating Expenditure Budget.
iii. The adjustment from R100 000 to R296 122 of the BCMDA 2025/2026 Capital Budget.

B. The consolidated adjusted budget for the 2025/2026 Fifth Adjustment Budget as follows:

i. The adjustment from R10 950 190 020 to R10 955 425 564 of the consolidated 2025/2026 Operating Revenue Budget.
ii. The adjustment from R10 948 221 638 to R10 953 457 181 of the consolidated 2025/2026 Operating Expenditure Budget.
iii. The adjustment from R1 511 098 017 to R1 511 294 138 of the consolidated 2025/2026 Capital Budget.



P. FAKU
EXECUTIVE MAYOR
BUFFALO CITY METROPOLITAN MUNICIPALITY

MXOLISI YAWA/ SP

ANNEXURES:

Annexure 1: Schedule of Capital Projects per Programme/Project

Annexure 2: Municipal Entity E Schedules (BCMDA)

Annexure 3: National Treasury B Schedules (Consolidated)

5.3 EXECUTIVE SUMMARY

On the 31st August 2026, the BCMDA board of directors met to approve the BCMDA budget adjustments for the 2025/2026 financial year. The 2025/2026 Fifth adjustment budget is prepared to incorporate the BCMDA 2025/2026 adjustments into the BCMM consolidated budget for the 2025/2026 financial year.

The operating revenue budget has increased by R5 235 544 from R10 950 190 020 to R10 955 425 564 (refer to section 5.4 below for details). The operating expenditure budget has also increased by R5 235 544 from R10 948 221 638 to R10 953 457 181 (refer to section 5.5 below for details). The capital budget has also increased by R196 122 from R1 511 098 017 to R1 511 294 138 (refer to section 5.6 below for details).

5.3.1 Budget Adjustment Summary

The only reason for this adjustment budget is to effect 2025/2026 BCMDA adjustments as approved by the BCMDA Board of directors on the 31st August 2026 . The table below indicates the summary of the 2025/2026 fifth adjustment budget.

Table 2: 2025/2026 Consolidated Fifth Adjustment Budget Summary

OPERATING AND CAPITAL BUDGET EXPENDITURE	2025/2026 APPROVED BUDGET	2025/2026 FIRST ADJ. BUDGET	2025/2026 CONDITIONAL GRANT ADJ. BUDGET	2025/2026 MID-YEAR ADJUSTMENT BUDGET	2025/2026 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2025/2026 FIFTH ADJUSTMENT BUDGET	2026/2027 FINAL BUDGET	2027/2028 FINAL BUDGET
Total Revenue	10 953 568 905	11 029 398 364	11 029 398 364	10 923 507 109	10 950 190 022	5 235 544	10 955 425 565	11 460 359 474	12 003 432 141
Total Operating Expenditure Excluding Operating Projects	10 390 318 510	10 390 318 524	10 390 318 523	10 339 872 672	10 368 225 624	5 235 544	10 373 461 167	10 931 581 188	11 515 564 214
Operating Projects	561 281 998	637 111 454	637 111 455	581 666 051	579 996 012	0	579 996 012	526 682 921	485 873 483
Total Operating Expenditure Including Operating Projects	10 951 600 508	11 027 429 978	11 027 429 978	10 921 538 722	10 948 221 636	5 235 544	10 953 457 180	11 458 264 109	12 001 437 697
Surplus / (Deficit)	1 968 397	1 968 386	1 968 386	1 968 386	1 968 385	0	1 968 385	2 095 365	1 994 444
Total Capital Expenditure	1 159 708 535	1 256 224 748	1 381 750 888	1 549 219 884	1 511 098 017	196 122	1 511 294 138	1 397 435 154	1 428 975 008
Total Opex and Capex Budget	12 111 309 043	12 283 654 726	12 409 180 866	12 470 758 606	12 459 319 655	5 431 665	12 464 751 320	12 855 699 263	13 430 412 705

5.4 OPERATING REVENUE FRAMEWORK

The following table (table 3) depicts an adjustment to the operating revenue budget per source. The increase in the budget for operating revenue of R5 235 542 is resulting from the following BCMDA transactions:

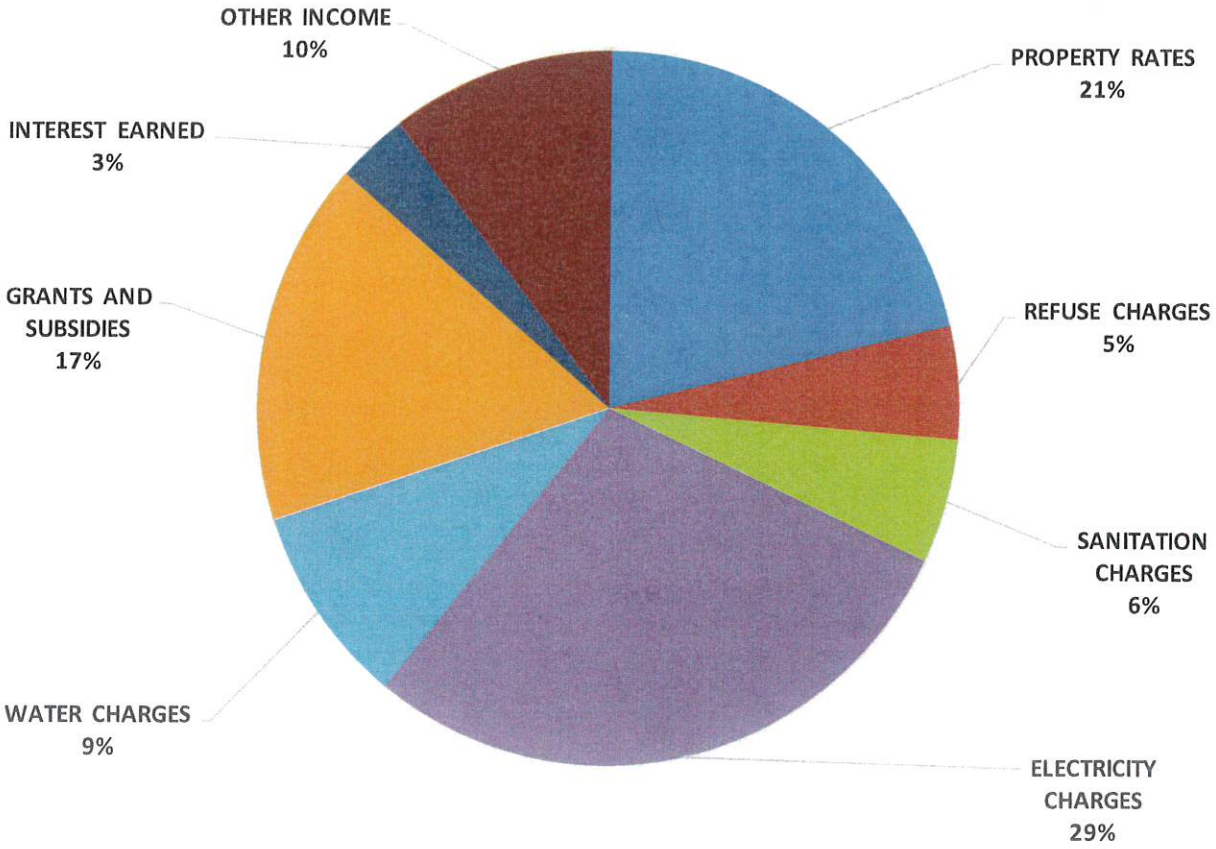
i. An increase of R47 400 on Interest revenue from current & non-current assets;
ii. An increase of R5 188 142 on Operational Transfers & subsidies.

Table 3: 2025/2026 Adjusted Revenue per Source

2025/2026 ADJUSTMENT BUDGET REVENUE FRAMEWORK	2025/2026 MID- YEAR ADJUSTMENT BUDGET	2025/2026 FOURTH ADJUSTMENT BUDGET	BCMDA ADJUSTMENTS	2025/2026 FIFTH ADJUSTMENT BUDGET
Revenue by Source				
Exchange Revenue				
Service charges - Electricity	3 162 327 364	3 162 327 364	0	3 162 327 364
Service charges - Water	996 670 474	996 670 474	0	996 670 474
Service charges - Waste Water Management	614 841 577	614 841 577	0	614 841 577
Service charges - Waste Management	561 493 849	561 493 849	0	561 493 849
Sale of Goods and Rendering of Services	133 271 489	133 271 489	0	133 271 489
Agency services	29 388 510	29 388 510	0	29 388 510
Interest earned from Receivables	281 577 690	137 962 555	0	137 962 555
Interest earned from Current and Non-Current Assets	71 133 589	71 133 589	47 400	71 180 991
Rental from Fixed Assets	25 305 993	25 305 993	0	25 305 993
Operational Revenue	63 930 633	63 930 633	0	63 930 633
Non-Exchange Revenue			0	
Property rates	2 328 401 183	2 328 401 183	0	2 328 401 183
Fines, penalties and forfeits	10 107 957	10 107 957	0	10 107 957
Licences or permits	12 953 029	12 953 029	0	12 953 029
Transfer and subsidies - Operational	1 771 061 770	1 797 744 683	5 188 142	1 802 932 825
Interest	6 500 000	150 115 135	0	150 115 135
Fuel Levy	798 042 000	798 042 000	0	798 042 000
Operational Revenue	56 500 000	56 500 000	0	56 500 000
Total Direct Operating Revenue	**10 923 507 107**	**10 950 190 020**	**5 235 542**	**10 955 425 564**

The pie chart (figure 1) below depicts operating revenue budget per source. In terms of service revenue, electricity continues to be the main contributor to the revenue of the municipality by generating 29% of the total revenue. This is followed by water tariffs at 9%, sanitation tariff at 6% and refuse tariff at 5%. Property rates revenue totals 21% 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 10% of the total revenue.

Figure 1: 2025/2026 Operating Revenue per Source



5.5 OPERATING EXPENDITURE FRAMEWORK

The following table (table 3) depicts an adjustment to the operating expenditure budget per expenditure type. An increase in the budget for operating revenue of R5 235 542 is resulting from the following BCMDA adjustments:

a) An increase of R1 125 437 to the Employee Related costs;
b) A reduction of R115 676 to Depreciation;
c) An increase of R7 769 to Finance charges;
d) An increase of R2 147 648 to Contracted Services;
e) An increase of R2 109 079 to Other Expenditure;
f) An increase of R8 342 to Other losses;
g) A reduction of R47 057 to Other Materials;

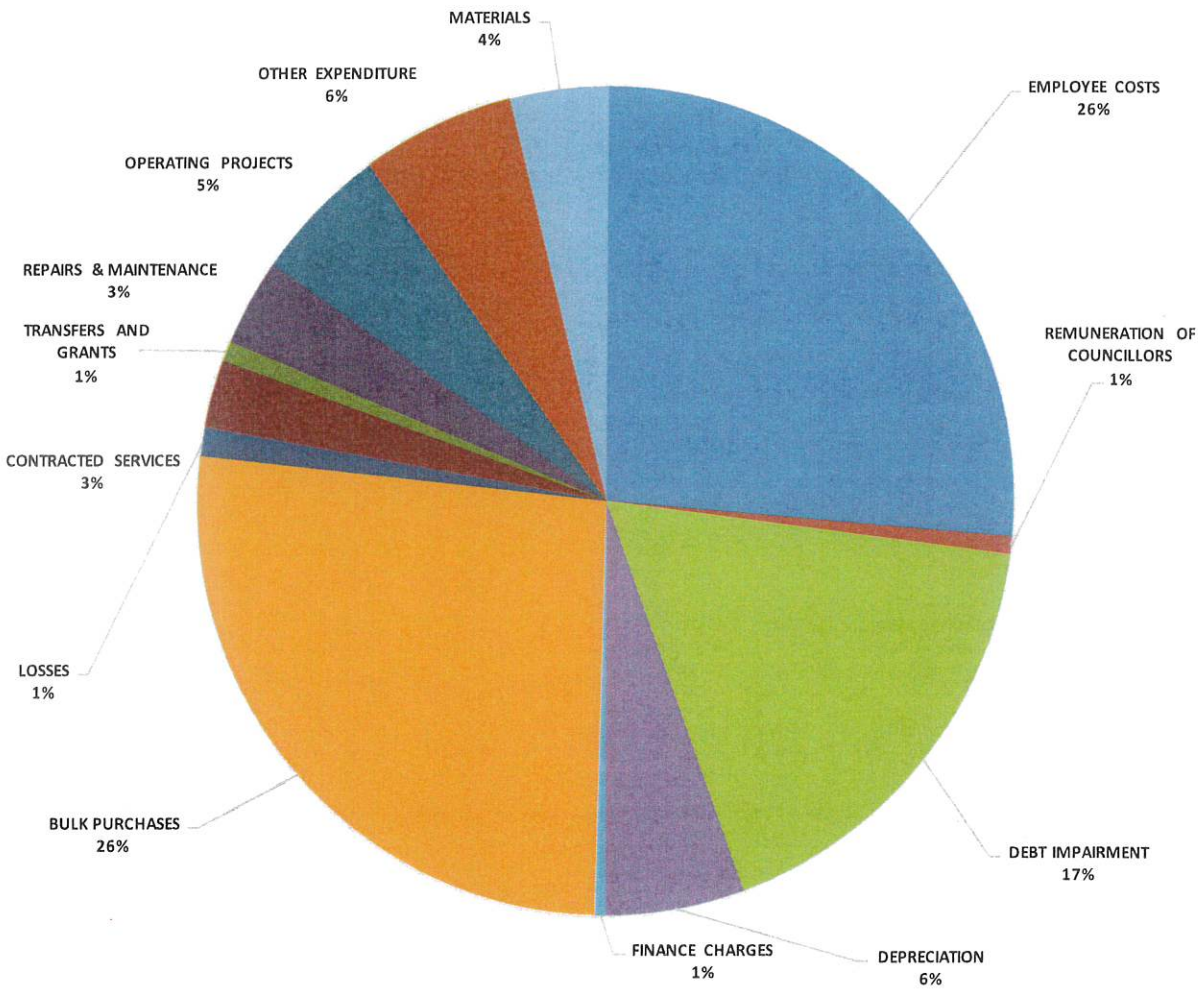
Table 4: 2025/2026 Adjusted Expenditure Budget per Category

2025/2026 ADJUSTMENT BUDGET EXPENDITURE FRAMEWORK	2025/2026 MID- YEAR ADJUSTMENT BUDGET	2025/2026 FOURTH ADJUSTMENT BUDGET	BCMDA ADJUSTMENTS	2025/2026 FIFTH ADJUSTMENT BUDGET
Expenditure Per Category				
Employee related costs	2 866 739 467	2 870 392 336	1 125 437	2 871 517 773
Remuneration of councillors	81 577 908	75 451 107	0	75 451 107
Debt impairment	1 891 898 218	1 891 898 218	0	1 891 898 218
Depreciation & asset impairment	599 122 714	599 122 714	-115 676	599 007 038
Finance charges	21 551 234	45 651 233	7 769	45 659 002
Electricity Bulk Purchases	3 065 657 281	2 873 848 158	0	2 873 848 158
Contracted services	256 853 945	284 902 405	2 147 648	287 050 053
Transfers and grants	68 829 177	85 566 146	0	85 566 146
Repairs and Maintenance	436 352 640	371 751 767	0	371 751 767
Operating projects	581 666 051	579 996 013	0	579 996 013
Other expenditure	586 378 472	657 878 644	2 109 079	659 987 723
Losses	121 371 444	121 371 444	8 342	121 379 786
Other materials	281 541 296	426 744 309	-47 057	426 697 252
Disposal of Fixed and Intangible Assets	0	1 648 268	0	1 648 268
Total Direct Operating Expenditure	**10 859 539 847**	**10 886 222 761**	**5 235 542**	**10 891 458 303**

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 at 26% and 26% of the total operating expenditure respectively. Depreciation totals 6% 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 account is 6% of the total operating budget. Operating Projects and Repairs and

Maintenance each account for 5% and 3% of the total operating budget respectively. Contracted Services accounts for 3% and Other Materials accounts for 4% of the total operating expenditure budget respectively. Debt Impairment accounts for 17% for the total operating budget. Remuneration of Councillors and Transfers and Grants account for 1%.

Figure 2: 2025/2026 Operating Expenditure per Type



5.6 CAPITAL EXPENDITURE FRAMEWORK

The tables (table 7 and 8) below indicate an upward adjustment of R196 122 to the capital expenditure budget of the municipal entity per funding source and per directorate respectively.

Table 5:2025/2026 Adjusted Capital Expenditure Budget –Funding

CAPITAL BUDGET PER FUNDING	2025/2026 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2025/2026 FIFTH ADJUSTMENTS BUDGET
OWN FUNDING	359 675 957	196 122	359 872 079
OWN FUNDING C/O	87 748 732	0	87 748 732
TOTAL OWN FUNDING	**447 424 689**	**196 122**	**447 620 810**
URBAN SETTLEMENT DEVELOPMENT GRANT	493 118 581	0	493 118 581
URBAN SETTLEMENT DEVELOPMENT GRANT C/O	26 186 107	0	26 186 107
CITY OF OLDERNBURG	3 155 797	0	3 155 797
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	275 870 937	0	275 870 937
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	0	0	0
MUNICIPAL DISASTER RESPONSE GRANT C/O	27 996 396	0	27 996 396
MUNICIPAL DISASTER RECOVERY GRANT C/O	71 343 636	0	71 343 636
METRO TRADING SERVICES FUNDING	165 797 368	0	165 797 368
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	204 516	0	204 516
TOTAL GRANTS	**1 063 673 339**	**0**	**1 063 673 339**
TOTAL CAPITAL BUDGET	**1 511 098 027**	**196 122**	**1 511 294 149**

Table 6: 2025/2026 Adjusted Capital Expenditure Budget – Directorate

CAPITAL BUDGET PER DIRECTORATE	2025/2026 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2025/2026 FIFTH ADJUSTMENT BUDGET
EXECUTIVE SUPPORT SERVICES	2 592 721	0	2 592 721
CITY MANAGER'S OFFICE	25 722 759	0	25 722 759
CORPORATE SERVICES	23 509 384	0	23 509 384
SPATIAL PLANNING & DEVELOPMENT	57 767 632	0	57 767 632
ECONOMIC DEVELOPMENT & AGENCIES	47 699 541	0	47 699 541
FINANCE SERVICES	102 871 852	0	102 871 852
PUBLIC SAFETY & EMERGENCY SERVICES	50 409 643	0	50 409 643
HUMAN SETTLEMENTS	175 162 184	0	175 162 184
INFRASTRUCTURE SERVICES	872 559 175	0	872 559 175
SPORTS, RECREATION & COMMUNITY DEVELOPMENT	63 089 988	0	63 089 988
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	89 613 138	0	89 613 138
TOTAL CAPITAL BUDGET: BCMM	**1 510 998 018**	**0**	**1 510 998 018**
BCMDA	100 000	196 122	296 122
TOTAL CAPITAL: CONSOLIDATED	**1 511 098 018**	**196 122**	**1 511 294 139**

Detailed schedule of capital projects is attached as **Annexure 2.**

PART 2 – SUPPORTING DOCUMENTATION

6. SUPPORTING DOCUMENTATION

6.1. ADJUSTMENT TO BUDGET ASSUMPTIONS

The budget assumptions have not been adjusted as the BCMDA adjustments have no impact on tariffs.

6.2. ADJUSTMENTS TO ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

There has been no adjustments to the 2025/2026 operational budget allocation that has been made by the municipality to the BCMDA.

7. CHALLENGES

None.

8. STAFF IMPLICATIONS

The adjustment budget is linked to the Performance Plans of the Buffalo City Metropolitan Development Agency the management of the entity is therefore responsible to spend the revised budget.

9. FINANCIAL IMPLICATIONS

The 2025/2026 Fifth Adjustment Budget does not have an impact on tariffs as it only incorporates the BCMDA adjustments as approved by the BCMDA board of directors. The effects of the adjustments to the BCMDA 2025/2026 Capital and Operating Budget are outlined below:

A. The BCMDA adjusted budget for the 2025/2026 financial year is as follows:

i. The adjustment from R61 998 875 to R67 234 418 of the BCMDA 2025/2026 Operating Revenue Budget.
ii. The adjustment from R61 998 875 to R67 234 418 of the BCMDA 2025/2026 Operating Expenditure Budget.
iii. The adjustment from R100 000 to R296 122 of the BCMDA 2025/2026 Capital Budget.

B. The consolidated adjusted budget for the 2025/2026 Fifth Adjustment Budget as follows:

i. The adjustment from R10 950 190 020 to R10 955 425 564 of the consolidated 2025/2026 Operating Revenue Budget.
ii. The adjustment from R10 948 221 638 to R10 953 457 181 of the consolidated 2025/2026 Operating Expenditure Budget.
iii. The adjustment from R1 511 098 017 to R1 511 294 138 of the consolidated 2025/2026 Capital Budget.

10. OTHER PARTIES CONSULTED

The Buffalo City Development Agency (BCMDA).

11. 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 M. S. NAIDOO

City Manager of Buffalo City Metropolitan Municipality (BUF)

Signature (ACM)

Date 6/10/2026