

REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2025/2026, REVISED SECTION E OF THE INTEGRATED DEVELOPMENT PLAN 2025/2026 FOR BUFFALO CITY METROPOLITAN MUNICIPALITY

1. PURPOSE

The purpose of this report is to table Buffalo City Metropolitan Municipality's Revised Service Delivery and Budget Implementation Plan 2025/2026 and Revised Section E of the Integrated Development Plan 2025/2026 to Council for **APPROVAL.**

2. AUTHORITY

Buffalo City Metropolitan Municipality Council.

3. LEGAL / STATUTORY REQUIREMENTS

- 3.1. The Constitution of the Republic of South Africa 1996;
- 3.2. Municipal Structures Act 117 of 1998;
- 3.3. Local Government: Municipal Systems Act 32 of 2000 as read with the Local Government: Municipal Systems Amendment Act 44 of 2003
- 3.4 Local Government: Municipal Finance Management Act 56 of 2003;
- 3.5 Municipal Planning and Performance Management Regulations 2001; and
- 3.6 Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.
- 3.7 MFMA Circular 88
- 3.8 MFMA Circular 129

4. BACKGROUND / REASONING

On the 25 February 2026, the mid-term adjustment budget was approved by the Council in compliance with section 28 of the Local Government: Municipal Finance Management Act ,2003 (MFMA). Subsequently, the process of the revision of the Service Delivery and Budget Implementation (SDBIP)2025/2026 has commenced as prescribed by Section 54 (1) (c) & (3) of the Local Government: Municipal Finance Management Act ,2003 (MFMA).

5. EXPOSITION OF FACTS

In compliance with the above-mentioned legislative provisions of the MFMA section 54, engagements with all Directorates were held to discuss the revision of their respective Directorate SDBIP 2025/2026. Directorates that were affected by the adjustments were as follows:

5.1. Corporate Services

5.1.1. The target for Installation of Fibre network (from Clements Kadalie to Mdantsane Nu 6 mains) was removed and redirected to the installation of fibre network to rather one of the offices. The reason for the adjustment is that the estimated fibre installation distance from Clements Kadalie to NU6 Mdantsane is approximately 15-22 km. Based on the scope of work, the allocated budget of R600,000 is insufficient to adequately cover the projected installation costs.

5.2. Energy And Electricity

5.2.1. The target for installation of high mast was decreased from 16 to 10 high mast to be installed. The reason for the adjustment is that requests for the installation of high mast increased to 16 but the

Directorate can only afford to install 10 this current financial year, then the other 6 will be provided in 2026/2027 financial year.

5.2.2. The target for number of dwellings provided with connections to the mains electricity supply by the municipality was decreased from 500 to 426. The reason for the adjustment was that the target was informed by the completed CNIP RDP houses in Cambridge. However, the target has to be reduced to 426 due to number of houses to be completed at the end of the financial year.

5.3. Sport Recreation and Community Development

The target for the milestones achieved towards the upgrading of Gonubie resort was adjusted downwards, as a result Building of Baby pool which was targeted to be built in the fourth quarter was removed. The reason was that there was reprioritisation in the City and this resulted to the shifting of funds or budget to Mdantsane Swimming Pool project.

5.4. Solid Waste and Environmental Management

The target for number of Waste Diversion Garden Transfer Stations established was removed from the SDBIP because budget was adjusted to zero.

5.5. Financial Services

The target for number of rateable residential properties in the subsidy housing market entering the municipal valuation roll was reduced from 400 to 200. The reason for the adjustment is that the key performance indicator is dependent on external sources as these properties are included in the valuation roll as they get registered at the Deeds Office. Also, there were very few registrations in quarter one and quarter two.

5.6. Economic Development & Agencies

5.6.1 The target for milestones achieved towards the upgrading and extension of Mdantsane Arts Centre was reduced from 100% to 50%. The reason for the adjustment is that when the performance of the contractor was evaluated against the agreed time frames, it was realised that the contractor was not performing and failing to achieve the agreed upon milestones. Therefore, the contractor was terminated and the process of appointing the new contractor delayed the implementation of the project.

5.6.2 The target for the milestones achieved towards the upgrading of Fresh Produce Market was reduced due to the subsequent reduction of the capital budget during the Adjustment Budget process. Therefore, the municipality will not be able to complete construction of the pack house in the current financial year.

5.7. Public Safety & Emergency Services

5.7.1 The target for number of areas covered by surveillance cameras was reduced from 3 to 2. The reason for the adjustment was that it was discovered that the contract was irregular and therefore was terminated.

5.7.2 The indicator for refurbishment of Fire Stations was removed from the directorate SDBIP 2025/2026. The reason for the adjustment was that there was reprioritisation within the City as a result the budget for the refurbishment of fire stations was shifted to the procurement of the fire engine.

5.8. Human Settlements

5.8.1 The target for number of subsidised housing units constructed using various Human Settlements Programmes was reduced from 900 to 600 because of budgetary constraints. The original budget was reduced and there was termination of two major Contractors at the beginning of 2025/2026 financial year.

5.8.2 The target for number of informal settlements assessed (enumerated and classified) was reduced from 10 to 0. Therefore, only milestones achieved will be reported for this financial year. The reason for the adjustment is that National Department of Human Settlements has not yet provided certainty on the promised appointment of Project Resource Team (PRT) to assist BCMM with the implementation of this project even though there were several reminders seeking feedback about the promised commitment that they made.

In essence, the Revised SDBIP 2025/2026 responds to the adjusted budget and recommendations of the audit process. Moreover, the annual targets that are reflected on Section E of the IDP 2025/2026 are also affected and are updated to ensure alignment between IDP and SDBIP. (See attached annexures).

6. STAFF IMPLICATIONS

The compilation of the Revised Service Delivery and Budget Implementation Plan was a joint effort with all Directorates inputs.

7. CHALLENGES

None

8. FINANCIAL IMPLICATIONS

None

9. OTHER PARTIES CONSULTED

- 9.1. All Heads of Directorates
- 9.2. All General Managers;
- 9.3. All Senior Managers and programme managers;
- 9.4. All Office Managers,

10. RECOMMENDATIONS

It is recommended that:

- 10.1 The Council **APPROVES** Revised Service Delivery and Budget Implementation Plan 2025/2026
- 10.2 The Council **APPROVES** the Revised Section E of the Integrated Development Plan 2025/2026.



P. FAKU
EXECUTIVE MAYOR

Mxolisi Yawa

Annexure A: Revised Service Delivery and Budget Implementation Plan 2025/2026

Annexure B: Revised Section E of the Integrated Development Plan 2025/2026.

Annexure C: Monthly projections of Revenue to be collected by source

Annexure D: Monthly projections of expenditure (operating and capital) for each vote

Annexure E: Ward Information for expenditure and Service Delivery and Detailed capital works plan broken down by ward over 3 years