5. CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT APPROVAL OF THE 2019/20 INTEGRATED DEVELOPMENT PLAN (IDP) AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) PROCESS PLAN
(From the Executive Committee: 6 August 2018 and the Mayoral Committee: 15 August 2018)

1. PURPOSE

To obtain approval for the 2019/20 Integrated Development Plan (IDP) and Medium-term Revenue and Expenditure Framework (MTREF) Process Plan, as required in terms of the Municipal Systems Act, 32 of 2000 (MSA) and the Municipal Finance Management Act, 56 of 2003 (MFMA).

2. STRATEGIC PILLARS

2.1 A City that is open, honest and responsive.

3. BACKGROUND

The Municipal Finance Management Act, 56 of 2003 (MFMA): Section 21 of the MFMA stipulates that:

"(1) the mayor of a municipality must-

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality’s integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-

(i) the preparation, tabling and approval of the annual budget; and

(ii) the annual review of –

(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and

(bb) the budget-related policies;

(iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii)."
The City of Tshwane adopted the 2017/21 IDP on 25 May 2017 in terms of Section 25 of the MSA.

Section 25(1) of the MSA prescribes the following:

"each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which-

1. Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;

2. Aligns the resources and capacity of the municipality with the implementation of the plan;

3. Forms the policy framework and general basis on which annual budgets must be based;

4. Complies with the provisions of Chapter 5 of the MSA; and

5. Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation."

The above requirement was adhered to when the council adopted the 2018/19 IDP unanimously on 31st May 2018.

Section 34 of the MSA further requires that the adopted IDP of a council must be reviewed annually. This section states as follows:

"A municipal council -

1. Must review its integrated development plan-

   1. Annually in accordance with the assessment of its performance measurements…

   2. To the extent that changing circumstances so demand;"

4. DISCUSSION

The planning and budgeting cycle of the City takes a phased approach in order to ensure systematic planning and budgeting and to ensure that it meets the legislative requirements. In the 2019/20 financial year, the City will continue to focus on the following in terms of the IDP and Budget process:

- Strengthening of public participation and stakeholder engagement in the City's processes through improved and focussed engagements with role players in the city to ensure as wide as possible participation in the review of the IDP;
- Confirmation, enhancement and implementation of the development priorities set by the new administration during the preparation of the 2017/21 IDP; and
- Improve the functionality of the legislated structures in relation to planning, budgeting and reporting process.
The following phases are identified to assist in the IDP and budget Process

<table>
<thead>
<tr>
<th>Phase</th>
<th>Purpose of the Phase</th>
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</thead>
<tbody>
<tr>
<td>Phase 1: Setting the strategic planning agenda to guide the review</td>
<td>This phase of the IDP process will provide for the confirmation of the focus of the review of the adopted IDP and to initiate further programmes to enhance the implementation of the IDP through the MTREF. Guidance will include the priorities set through various strategic planning engagements which will be conducted. All stakeholder submissions which formed part of the 2018/19 review will also be fed into the process for consideration. The process will also include stakeholder participation aimed at ensuring that participation from various stakeholders are received to inform the review of the IDP and the preparation of the budget</td>
</tr>
<tr>
<td>process and to initiate engagements with stakeholders</td>
<td></td>
</tr>
<tr>
<td>Phase 2: Initiate the development of programme and project specific</td>
<td>Based on the detail focus which will be derived from the detail strategic proposals from phase 1 and the understanding of stakeholder issues identified in Phase 1, Phase 2 will be aimed at confirming the strategic agenda of the City towards the review of the IDP and preparation of the budget</td>
</tr>
<tr>
<td>deliverables to be included in the IDP review and budget for the 2019/20</td>
<td></td>
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<tr>
<td>financial year. This will guide the development of implementation</td>
<td></td>
</tr>
<tr>
<td>plans (September-December)</td>
<td></td>
</tr>
<tr>
<td>Phase 3: Development and tabling of Draft Plans for 2019/20 IDP and</td>
<td>This phase will ensure that the draft legislated and non-legislated plans for the 2019/20 financial year are developed and assessed against the City's set strategic priorities and the availability of financial resources. It is during this phase that the 2019/20 draft reviewed IDP and 2019/20 MTREF will be tabled to Council for consideration</td>
</tr>
<tr>
<td>Budget to Council (January-March 2019)</td>
<td></td>
</tr>
<tr>
<td>Phase 3a: Consolidation and tabling of the mid-year performance</td>
<td>During this phase the performance for the first six months of the financial year is assessed and reviewed. The 2018/19 annual budget adjustment proposals are considered in February 2019 for the remaining period of the financial year. This could also result in the adjustment to the 2018/19 SDBIP in accordance with the reviewed performance and adjusted budget. These processes also serve input for planning for 2019/20 financial year</td>
</tr>
<tr>
<td>assessment and Budget Adjustment (January to February 2019)</td>
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</tr>
<tr>
<td>Phase 4: Commenting on the Draft IDP and Budget (April 2019)</td>
<td>Following the tabling of the draft plans to Council in March, this phase will focus on engaging stakeholders on the draft IDP and MTREF to source comments and inputs on the final proposals for the reviewed IDP</td>
</tr>
<tr>
<td>Phase 5: Finalization of the 2019/20 revised IDP and 2019/20 MTREF</td>
<td>Following all the above processes, the final IDP for 2019/20 and 2019/20 MTREF and 2019/20 BEPP/CIF is consolidated and submitted to Council for approval</td>
</tr>
<tr>
<td>and Approval by Council (April -May 2019)</td>
<td></td>
</tr>
</tbody>
</table>
Detail of each Phase

Phase 1: Setting the strategic planning agenda and initiate engagements with stakeholders (September to October 2018)

The first phase of the IDP process will be based on the set priorities for the term and the understanding of the final proposals from various strategic planning processes and to unpack it and share it with stakeholders to allow input on it for consideration before final approval. The following activities need to be undertaken:

- The Executive Mayor to convene a Mayoral strategic development engagement aimed at ensuring that the strategic agenda for the term is strengthened and that it guide the development of the 2019/20 IDP, MTREF and BEPP/CIF;
- Engaging with city wide stakeholders to discuss the strategic agenda and focus of the review of the IDP and MTREF;
- Engage with the Traditional Leaders in the municipality to discuss developmental issues in the tribal areas as well as planning within the municipal context and to carve a way for improved participation by the traditional leaders in the IDP and budget processes; and
- Intergovernmental engagement with national and provincial sector departments to engage on horizontal and vertical alignment of plans and programmes between the City and the other spheres of government. One of the contributors will be confirming outcomes of engagements by National Treasury in terms of the BEPP process with other spheres of government in respect of process alignment with that of municipal priorities.

Phase 2: Development of programme and project specific deliverables to be included in the IDP review and budget for the 2019/20 financial year (September-December 2018)

Based on the priorities and final proposals and the understanding of stakeholder issues identified in Phase 1, Phase 2 will be aimed at unpacking the strategic agenda of the City and to formulate programme and project interventions for the implementation through the IDP and budget. The following activities need to be undertaken:

- Top Management drafts proposals to be included in the planning and budget processes on the review of the IDP, budget and BEPP/CIF;
- Budget Office issue 2019/20 budget indicatives to Departments, Regions and Municipal Entities to assist in drafting of the plans.
- Taking a cue from the strategic agenda setting and the issued indicatives, the departments engage in a strategic discussion to respond towards the development of draft plans for 2019/20 financial year. This will include:
  o Project Identification and verification;
  o Developmental interventions; and
  o Performance Analysis.
- The draft BEPP/CIF will further inform this process;
- This will result in the development of draft capex projects, confirmation of priorities in the draft BEPP/CIF and inform the draft SDBIP targets for the 2019/20 financial year;
• Agree on the prioritisation of capital projects based on the set priorities and the Metropolitan Spatial Development Framework of the City.
*Phase 3: Development and tabling of Draft Plans for 2019/20 IDP and Budget to Council (January-March 2019)*

This phase will ensure that the draft legislated and non-legislated plans for the financial year are developed and assessed against the strategic priorities and the availability of financial resources. It will focus on the following:

• Convening of the Budget Steering Committee (BSC) to assess the departmental submission on the proposed plans and budgets for 2019/20. The Committee is established by the Executive Mayor and supported by Group Financial Services, City Strategies and Organisational Performance Management and Economic Development and Spatial Planning in evaluating and scrutinising the proposed projects contained in the Draft 2019/20 budget;
• Following the BSC, a Mayoral Budget session need to be convened by the Executive Mayor in February to engage with recommendations of the Budget Steering Committee and to confirm final strategic focus areas and budget proposals for 2019/20;
• Engagement of provincial and national departments on their final plans and programmes for implementation in the city for the 2019/20 financial year to ensure that these are part of the integrated plans of the City;
• Initiate the development of a draft revised 2019/20 reviewed IDP and 2019/20 MTREF; and
• The revised 2019/20 draft IDP including draft 2019/20 MTREF and CAPEX budget, and tariffs will be tabled at Mayoral Committee and Council for public and stakeholder consultations, comment and input.

*Phase 3a: Consolidation and tabling of the mid-year performance assessment and Budget Adjustment (January to February 2019)*

This phase will ensure that performance for the first six months of the 2018/19 financial year is assessed and reviewed; and the annual budget is adjusted for the remaining period of the financial year. This will also result in the adjustment to the SDBIP in accordance with the reviewed performance and adjusted budget. These processes also serve as an input for planning for next financial year.

The following activities will be undertaken:

• Consolidation of 2018/19 adjustment budget inputs from departments within the baseline allocation on the Business Planning and Consolidation (BPC) System;
• Submission of 2018/19 Mid-Year performance review and budget adjustment report for consideration and approval;
• Initiate collation of proposed adjustments to the 2018/19 SDBIP and consultations with all internal stakeholders and subsequent approval by Council; and
• The approved 2018/19 Mid-Year Review and Adjusted Budget and the SDBIP to be submitted to National Treasury for assessment.

*Phase 4: Commenting on the Draft reviewed IDP and 2019/20 Budget (April 2019)*
Following the tabling of the draft plans to Council in March 2019, the phase will focus on engaging stakeholders on the draft reviewed IDP and MTREF. The following activities will be undertaken:

- The draft reviewed IDP and budget will be publicised as per the legislative requirements;
- The draft reviewed IDP and Budget will be submitted to the Gauteng MEC: Cooperative Government and Traditional Affairs and to National Treasury for comment;
- Engagement with National Treasury on the Draft reviewed IDP, MTREF and BEPP/CIF (Benchmarking);
- Development of the first draft of Departmental, Regional and Municipal Entities’ business plans;
- Departmental, Regional and Municipal Entities’ business plans will be presented for political and technical input; and
- During the month of April, a series of IDP and budget consultation sessions will be convened to solicit input towards the finalisation of the reviewed IDP, Budget and Tariffs. The consultation process will include stakeholder engagements with organised and unorganised groupings as well as the traditional leadership in the City.

Phase 5: Finalisation of the 2019/20 revised IDP and 2019/20 MTREF, BEPP and Approval by Council (April -June 2019)

- Based on comments received in phase 4, the revised IDP, MTREF and BEPP will be finalised and considered by MayCo;
- The Executive Mayor presents the Budget Speech and subsequently the revised IDP, MTREF, BEPP and multi-year business plans of Municipal Entities are tabled at Council for approval in May 2018;
- Finalisation of the Service Delivery and Budget Implementation Plan for 2019/20;
- City Manager to submit 2019/20 Service Delivery and Budget Implementation Plan to the Executive Mayor for consideration 14 days after the approval of the budget;
- Executive Mayor approves the 2019/20 SDBIP within 14 days after receipt from City Manager; and
- Executive Mayor tables to SDBIP to Council for noting.

The table below proposes timelines with regards to the review of the IDP and Budget processes as they are legislatively required:

<table>
<thead>
<tr>
<th>ACTION</th>
<th>DETAILS OF THE ACTION</th>
<th>LEGISLATIVE REQUIREMENT</th>
<th>RESPONSIBILITY</th>
<th>TIMEFRAMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tabling of the 2019/ 20 IDP and Budget Process Plan for approval</td>
<td>The IDP and Budget Process Plan which outlines the key deadlines for the review of the 2019/20 IDP and annual budget is tabled to council for approval at least 10 months before the start of the new financial year.</td>
<td>MSA s28, 29 &amp; 34 &amp; MFMA s21(b)</td>
<td>City Strategy and Organisational Performance Management (CSOP), supported by Finance and Economic Development and Spatial Planning</td>
<td>August 2018</td>
</tr>
<tr>
<td>Departmental training for capturing project on CaPS</td>
<td>Economic Development and Spatial Planning to engage with departments and popularise the CIF/BEPP to guide departments when capturing project lists.</td>
<td>Internal Process</td>
<td>Economic Development and Spatial Planning, CSOPM (SDBIP and Project) team to be invited</td>
<td>August 2018/Septemb er 2018</td>
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<tr>
<td>Popularising Capital Investment Framework (CIF) and Built Environment Performance Plan (BEPP) to facilitate capturing of projects by departments</td>
<td>Economic Development and Spatial Planning to engage with departments and popularise the CIF/BEPP to guide departments when capturing project lists.</td>
<td>Internal Process</td>
<td>Economic Development and Spatial Planning, CSOPM (SDBIP and Project) team to be invited</td>
<td>August 2018 (Initiating process for departments how to approach capturing) to January 2019</td>
</tr>
<tr>
<td>Publication of the 2019/20 approved IDP and Budget Process Plan on city’s website for public information</td>
<td>Publication of the process plan outlining key deadlines for preparing, tabling and approval of the annual budget and IDP.</td>
<td>MSA s28(3)</td>
<td>City Strategy and Organisational Performance Management Communication, Marketing and Events</td>
<td>September 2018</td>
</tr>
<tr>
<td>Strategic Agenda setting - Mayoral and City Manager strategic planning sessions</td>
<td>The various strategic planning sessions to focus on the following: - Presentation and agreement on final strategic priorities for the 2019/20 financial year - Proposals for required changes/amendments to the IDP to be aligned the strategic priorities - Evaluation on progress made during the term to date of governance of the new administration. - Setting/confirmation of priorities/directive/budget principles and strategic guidelines for 2019/20 MTREF and IDP</td>
<td>MFMA Section 52 (c)</td>
<td>Office of the Executive Mayor and Office of the City Manager</td>
<td>September to October 2018</td>
</tr>
<tr>
<td>Special MayCo</td>
<td>MAYCO discussions on 2018/19 IDP &amp; Budget strategic focus areas Adoption of Prioritisation Model for 2019/20 – 2021/22</td>
<td>Internal process</td>
<td>Office of the Executive Mayor supported by ED &amp; SP, CSOPM, Budget Office</td>
<td>September to November 2018</td>
</tr>
<tr>
<td>Issue IDP review guidelines to departments</td>
<td>Guidelines for the review of the IDP prepared based on key focus areas emanating from the strategic planning processes</td>
<td>Internal process</td>
<td>City Strategy and Organisational Performance Management and Chief Financial Officer</td>
<td>October 2018</td>
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<tr>
<td>Issue budget indicative s, allocations and guidelines to departments</td>
<td>Issue indicative (OPEX &amp; CAPEX) allocations and guidelines for budget compilation</td>
<td>Internal process</td>
<td>Chief Financial Officer</td>
<td>October 2018</td>
</tr>
<tr>
<td>Modelling of the Long Term Financial Plan (LTFM)</td>
<td>The LTFM will ensure medium to long term sustainability</td>
<td>Internal process</td>
<td>Chief Financial Officer</td>
<td>December 2018 (to inform adjustment budget)</td>
</tr>
</tbody>
</table>
| Session with departments on the Annual Budget process. | Session with departmental finance support officials regarding the annual budget process:  
- To provide guidance and confirm budget principles and approach for 2019/20 | Internal process | Chief Financial Officer | December 2018 |
| Stakeholder engagements | Priority setting process with key stakeholders:  
- Engagement with Traditional Authorities  
- Engagement with business sector  
- Engagement with NGO’s and CBO’s  
| Departmental Strategic Planning Sessions | Departments engage in strategic planning sessions with the focus on the following:  
- Implementation of the Mayoral Strategic Planning and City Manager Top Management strategic planning session 's resolutions  
- Prioritise projects to be captured on Cap’s | Internal Process | All departments | October to 15 December 2018 |
<p>| Submission of draft capital project list and expenditure projections | Prioritised Capital budget to be submitted to Budget Office (MSCOA Format) | Internal Process | Economic Development and Spatial Planning Department | December 2018 – January 2019 |</p>
<table>
<thead>
<tr>
<th>Event</th>
<th>Description</th>
<th>Responsible Officer</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Entities to submit National Treasury (NT) Schedule D</td>
<td>The CEO's of municipal entities to submit NT Schedule D to the relevant CoT Department/s. The relevant Department/s Heads to submit municipal entities NT Schedule D to the Group Financial Services Department (mSCOA format)</td>
<td>MFMA Regulations and Circulars</td>
<td>January 2019</td>
</tr>
<tr>
<td>(original budget)</td>
<td>Submit date to be communicated through Budget Office Circulars</td>
<td></td>
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</tr>
<tr>
<td>Submission of adjustments budget by Departments</td>
<td>Adjustments Budget capturing guidelines will be communicated through Budget Office Circulars.</td>
<td>MFMA sec 28</td>
<td>December 2018</td>
</tr>
<tr>
<td>2018/19 SDBIP adjustment</td>
<td>Issue SDBIP adjustment communication based on possible adjustment to budget</td>
<td>CSOPM (SDBIP team)</td>
<td>December 2018</td>
</tr>
<tr>
<td>Municipal Entities to submit Schedule E (Adjustments Budget)</td>
<td>The CEO’s of municipal entities to submit NT Schedule E to the relevant CoT Department/s. The relevant Department/s Heads to submit municipal entities NT Schedule E to the Financial Services Department.</td>
<td>MFMA Regulations and Circulars</td>
<td>December 2018</td>
</tr>
<tr>
<td>1st Draft departmental IDP &amp; SDBIP scorecards submitted</td>
<td>All departments and MOE’s to submit 1st draft departmental IDP &amp; SDBIP scorecards in line with guidelines provided to CSOP</td>
<td>Internal process</td>
<td>November 2018</td>
</tr>
<tr>
<td>Departments capture/ submit operating budget proposals and business</td>
<td>Departments to capture/ submit their budget proposals (Budget Capturing –mSCOA format)</td>
<td>Internal process</td>
<td>January 2019</td>
</tr>
<tr>
<td>case for new projects/programmes</td>
<td></td>
<td>Chief Financial Officer</td>
<td></td>
</tr>
<tr>
<td>Modelling of the Long Term Financial Plan (LTFM)</td>
<td>The LTFM will ensure medium to long term sustainability</td>
<td>Internal process</td>
<td>January 2019 (to inform 2019/20 Budget)</td>
</tr>
<tr>
<td>2018/19 Mid-Year Review report</td>
<td>The report is submitted to the Mayoral Committee and Council for consideration and approval and will indicate the necessity of an adjustments budget</td>
<td>MFMA s72(1)</td>
<td></td>
</tr>
<tr>
<td>Consolidate Adjustments Budget inputs including Human Resources (PCP)</td>
<td></td>
<td>Internal Process</td>
<td>January 2019</td>
</tr>
<tr>
<td>Preparation of Adjustments Budget report and annexures</td>
<td>The report and document is prepared in accordance with National Treasury regulations</td>
<td>MFMA s28 and s29</td>
<td></td>
</tr>
<tr>
<td>Submission of report for consideration and approval</td>
<td>Report is submitted to the Budget Steering Committee and Mayoral Committee for consideration and approval</td>
<td>MFMA s28 and s29</td>
<td>Chief Financial Officer</td>
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<tr>
<td>National Treasury Mid-year Budget/BEPP Review and Performance Assessment Visit</td>
<td>National Treasury's engagement with the City of Tshwane</td>
<td>Internal Process</td>
<td>Executive Mayor City Manager Chief Financial Officer Chief Operations Officer Group Heads</td>
</tr>
<tr>
<td>2018/19 Adjustment to the SDBIP based on the Mid-year Budget and Performance Review</td>
<td>• Council to consider the proposed adjustments to the SDBIP  • The approved adjustments to the SDBIP to be submitted to National Treasury post approval by Council</td>
<td>MFMA s54 (1)c</td>
<td>CSOPM Council</td>
</tr>
<tr>
<td>Budget Steering committee Hearings</td>
<td>The Budget Steering Committee to conduct an assessment of the 2019/20 submitted targets against:  • The identified priorities for the City as per Mayoral Strategic Planning resolutions;  • Budget implications for the submitted plans (including motivations for CAPEX and OPEX projects not catered for by CIF; and  • Draft Built Environment Performance Plan (BEPP)/ Capital Investment Framework (CIF).</td>
<td>MFMA s52 (c) and Municipal Reporting Regulations 4(1) s53</td>
<td>Budget Steering Committee supported by CSOPM, Economic Development and Spatial Planning and CFO</td>
</tr>
<tr>
<td>Mayoral Budget Planning session</td>
<td>The focus of the Budget planning session is to:  • Confirm the capex priorities and make recommendations  • Confirm MTREF areas of emphasis to allow for alignment the IDP high level summary.</td>
<td>MFMA s52 (c )</td>
<td>Office of the Executive Mayor</td>
</tr>
<tr>
<td>Consultation with Mayoral Committee</td>
<td>Presentation of the draft annual budget, draft IDP and first draft SDBIP (inclusive of Entities) for 2019/20</td>
<td>Internal Process</td>
<td>City Manager, CSOPM, Economic Development and Spatial Planning and CFO</td>
</tr>
<tr>
<td>Task</td>
<td>Description</td>
<td>Reference(s)</td>
<td>Responsible Parties</td>
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</tr>
<tr>
<td>Tabling of the draft IDP, budget (MTREF) and BEPP/CIF</td>
<td>Tabling of draft annual budget, draft IDP together with BEPP/CIF for 2019/20 for noting by Council.</td>
<td>MFMA Sections 16 &amp; 17</td>
<td>CSOPM, CFO and ED &amp;SP</td>
</tr>
<tr>
<td>Submision of Draft BEPP 18/19 to National Treasury</td>
<td>Submit Draft BEPP 2019/20 (DoRA 19/20) based on the capex submissions from departments (The indicative as included in the 2018/19 DoRA will be used for the purpose of planning. When the 2019/20 DoRA is issued, all grants (opex and capex) will be updated)</td>
<td>DORA 19/20</td>
<td>Economic Development and Spatial Planning</td>
</tr>
<tr>
<td>Publication of draft IDP &amp; Budget and consultations with communities and stakeholders</td>
<td>Consultations for a period of 21 days for comment on the draft IDP and Budget as tabled in Council.</td>
<td>MFMA Sections 22 and 23</td>
<td>Office of the Speaker, Office of the Executive Mayor, All departments and Regions</td>
</tr>
<tr>
<td>2nd Draft 2019/20 Business Plan</td>
<td>Departments to submit the 2nd draft 2019/20 Business Plan which contains the draft IDP and SDBIP scorecard</td>
<td>Internal Process</td>
<td>All departments and Entities</td>
</tr>
</tbody>
</table>
| National Treasury Municipal Budget and Benchmark exercise           | Engagement and Benchmark Exercise on the tabled draft IDP and MTREF by National Treasury  
  
  • 2019/20 BEPP Review presentation to NT  
  • IDP and Budget Review presentations by all departments to NT | IGR process                                | National Treasury                          | April 2019      |
| Refinement and finalisation of the annual budget, IDP and Corporate SDBIP | Based on comments received from communities and stakeholders, finalise the 2019/20 IDP and 2019/20 budget;  
  BEPP/CIF Review process (city’s spatial priority programmes in line with Tshwane Development Strategy 2030, grant alignment & intergovernmental budget alignment | Internal Process                           | CSOPM;  
  Finance department  
  Economic Development and Spatial Planning department  
  Top Management and Mayoral Committee  
  National Treasury | April and May 2019 |
<p>| Approval of the Budget, IDP, BEPP/ C IF for 2019/20 inclusive of Municipal Owned Entities | Final approval by Council of the IDP, Budget document and BEPP/CIF by resolution, setting municipal taxes and tariffs, changes to the IDP and budget related policies; measurable performance objectives and targets; | MFMA Sections 16, 19, 24, 26, 53          | Council                                                  | End May 2019   |</p>
<table>
<thead>
<tr>
<th>Submission of BEPP 19/20 to National Treasury</th>
<th>Submit BEPP 19/20 (DORA 19/20) to National Treasury</th>
<th>DORA 19/20</th>
<th>Economic Development and Spatial Planning</th>
<th>End of May 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval of the 2019/20 SDBIP</td>
<td>Final approval of the SDBIP by the Executive Mayor.</td>
<td>MFMA Sections 69 (3)a</td>
<td>Executive Mayor</td>
<td>June 2019</td>
</tr>
<tr>
<td>Approval of 2019/20 Departmental Business Plans</td>
<td>Consolidated departmental plans including required resources to be approved, this include those of Entities</td>
<td>Internal Process</td>
<td>Mayoral Committee</td>
<td>July 2019</td>
</tr>
</tbody>
</table>

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

The purpose of the report is to obtain approval for the 2019/20 Integrated Development Plan (IDP) and MTREF Process Plan, as required in terms of the Municipal Systems Act, 32 of 2000 (MSA) and the Municipal Finance Management Act, 56 of 2003 (MFMA).

It is indicated in the report that the IDP and budget has operational costs associated with managing the process. Furthermore, proposals developed by departments, entities and the City will have financial implications and that clear articulation of the proposed plans is thus crucial to understand the City’s exposure based on the proposed plans, programmes and projects.

The approval of an Integrated Development Plan, as required by the Municipal Systems Act, Act 32 of 2000, is a critical milestone that needs to be achieved to ensure sustainable planning within any municipality.

All financial implications which will emanate as a result of this report must be managed with the approved Medium-Term Revenue and Expenditure Framework.

5.2 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of the report to obtain approval for the 2019/20 Integrated Development Plan (IDP) and MTREF Process Plan, as required in terms of the Municipal Systems Act, 2000 (Act 32 of 2000) hereafter called (MSA) and the Municipal Finance Management Act, 2003 (Act 56 of 2003), hereafter called MFMA.

Section 21 of the Municipal Finance Management Act, 56 of 2003 (MFMA) stipulates that (1) the mayor of a municipality must (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality’s integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible; (b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for (i) the preparation, tabling and approval of the annual budget; (ii) the annual review of (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and (bb) the budget-related policies; (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii)."
Section 34 of the Local Government: Municipal System Act, 2000 (Act 32 of 2000) hereafter called MSA, also requires that the adopted IDP of a council must be reviewed annually.

Having regard to the context of the report and the required legal framework, Group Legal and Secretariat Department support the approval of the report and the recommendation thereof.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

The City needs to ensure the availability of resources that will ensure that the process as outlined in this report is adhered to and managed according to the legal requirements. These resource need to be mobilised across departments and entities of the city with particular consideration to financial and human resources.

6.2 FINANCES

The IDP and budget has operational costs associated with managing the process. Further, proposals developed by departments, entities and the City will have financial implications. Clear articulation of the proposed plans is thus crucial to understand the City’s exposure based on the proposed plans, programmes and projects.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

*Municipal Systems Act, 32 of 2000 (MSA):*

Section 28 (1) of the MSA stipulates that a municipality must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan including the consultation of the local communities on the intended process to be followed.

Section 29 of the MSA further requires the IDP process plan to provide for:

- A programme which specifies the timeframe of the planning steps for the drafting and adoption of an IDP;
- Appropriate mechanisms, processes and procedures for consultation and participation including the role of traditional authorities; and
- The identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation.

*The Spatial Planning and Land Use Management Act, 2013 stipulates in terms of Chapter 4 that municipal Spatial Development Framework:*

"12(6) must outline specific arrangements for prioritising, mobilising, sequencing and implementing public and private infrastructural and land development in priority spatial structuring areas identified in a spatial development framework;"

21(n) determine a capital expenditure framework for the municipality’s development programmes, depicted spatially; and
21(p)(i) include an implementation plan comprising of sectoral requirements, including budgets and resource allocation."

The Division of Revenue Act, Act 10 of 2014 (DORA) further outlines the capital budget formulation for the preparation of the Built Environment Performance Plan (BEPP) for grant application and alignment. The revised DORA framework provisions for 2019/2020 will further guide the city's budget formulation.

In developing this process plan for 2019/20, consideration is taken to consider other legal requirements in relation to the approval of the IDP, SDBIP and budget.

6.4 COMMUNICATION

Once approved, the IDP review and MTREF budget process plan will have to be communicated to all stakeholders. All stakeholders will need to align their processes to this plan. The Council approved plan will be placed on the website and submitted to the MEC: Local Government as well as to National and Provincial Treasuries. The process plan also needs to be published within 10 days after approval on the City's website.

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None.

7. CONCLUSION

This report has outlined the 2019/20 Integrated Development Plan (IDP) and MTREF Process Plan as required in terms of the Municipal Systems act, 32 of 2000 (MSA) and the Municipal Finance Management Act, 56 of 2003 (MFMA). While the outlined process is in line with the legislated processes, it is acknowledged that the commenting period in April occurs prior the national elections and within the Easter holidays. While the elections are a national event, care need to be taken by the Office of the Speaker in scheduling meetings and a combination of participatory means needs to be explored for quality and extensive input to be received.

The Mayoral Committee on 15 August 2018 resolved to recommend to Council as set out below:

During consideration of this item by Council on 30 August 2018, and after Councillors NP Tyobeka-Makeke, P Sutton and MA Masoleng addressed Council on this matter, it was resolved as set out below:

RESOLVED:

1. That the 2019/20 Integrated Development Plan (IDP) review and Budget preparation process plan, set out in the body of the report, in compliance with the provisions of the Municipal Systems Act and the Municipal Finance Management Act, be approved.

2. That the approved Integrated Development Plan (IDP) review and Budget preparation Process Plan be submitted to the Gauteng Member of the Executive Council (MEC) of Local Government as well as to National and Provincial Treasuries as per legislation.