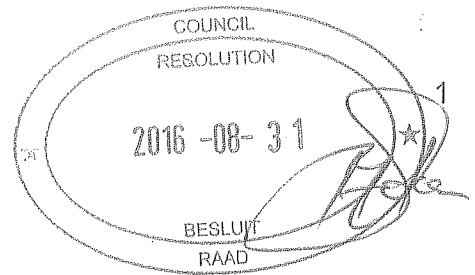


Reference No 90952/1  
Mayur Maganlal (0798)  
SPECIAL COUNCIL: 31 August 2016



8. CITY STRATEGIES AND PERFORMANCE MANAGEMENT DEPARTMENT  
APPROVAL OF THE PROCESS PLAN FOR THE 2017/18 INTEGRATED  
DEVELOPMENT PLAN (IDP) REVIEW AND MEDIUM TERM REVENUE AND  
EXPENDITURE FRAMEWORK (MTREF) PREPARATION  
(From the Mayoral Committee: 25 August 2016)

1. PURPOSE

To obtain approval for the 2017/18 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 OBJECTIVES

To ensure good governance through ensuring compliance to planning and budgeting legislation.

3. BACKGROUND

The City Tshwane adopted the 2016/21 IDP review on 30 May 2016 in terms of Section 34 of the MSA. In terms of the MSA, a newly elected council must within a prescribed period after the start of its elected term adopt its IDP.

In terms of section 25(1) of the MSA.

*"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."*

Section 25(2) stipulate the following:

*“(2) An integrated development plan adopted by a municipal council in terms of subsection (1) may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council.”*

In terms of the above mentioned, the current IDP approved by the Council on 30 May 2016, remain in force up to the time that the new Council adopt a review of it or adopt its own IDP.

Section 25(3)(a) of the MSA provide for the newly elected council to adopt the IDP of its predecessor but before taking such decision, must comply with Section 29(1)(b)(i), (c) and (d) which prescribe the following:

*“29(1)(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for-*

*The local community to be consulted on its developmental needs and priorities;*

*(c) provide for the identification of plans and planning requirements binding on the municipality in terms of national and provincial legislation; and*

*(d) be consistent with any other matters that may be described by regulation.”*

Should the newly elected council adopts the IDP of its predecessor with amendments, it must affect the amendments in accordance with the process referred to in Section 34(b) which reads as follows: *“(b) may amend its integrated development plan in accordance with a prescribed process.”*

#### 4. DISCUSSION

##### 4.1 LEGISLATIVE REQUIREMENTS

*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.

*Municipal Finance Management Act, 56 of 2003 (MFMA):*

Section 21 of the MFMA stipulates that:

"(1) the mayor of a municipality must-

1. 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;
2. 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 –
    - (a) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
    - (b) 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 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;

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 capital budget formulation for the preparation of the Build Environment Performance Plan (BEPP) for grant application and alignment. The revised DORA framework provisions for 2017/2018 will further guide the city's budget formulation.

In developing this process plan for 2017/18, consideration is taken to consider other legal requirements in relation to the approval of the IDP, SDBIP and budget.

#### 4.2 START OF NEW COUNCIL TERM AND RELATION TO AN IDP APPROVED BY THE PREVIOUS COUNCIL

On 3 August 2016 the Local Government elections were held to elect a council for the next term of office from August 2016 to July 2021. In terms of Section 28 of the MSA referred to above, the newly elected Council must adopt a process setting out in writing the process it will follow to adopt its IDP or to review the current IDP. This item make proposals on the process to be followed.

#### 4.3 PHASED APPROACH TO STRATEGIC PLANNING AND BUDGETING

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 2016/17 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 development of ward based plans;
- Revision of the 2016/21 IDP to respond to the set priorities and stakeholder and community needs; and
- Improve the functionality of the legislated structures in relation to planning, budgeting and reporting process, e.g. Budget Steering Committee.

The following phases are identified to assist in the IDP and budget Process

Phase	Purpose of the Phase
Phase 1: Stakeholder engagement (August to October 2016)	This phase of the IDP process will include stakeholder participation aimed at ensuring that initial inputs from various stakeholders are received to inform the draft IDP and budget for the City for the new political term.
Phase 2: Initiate a strategic discussion to guide the development of implementation plans (September-December 2016)	Based on the set priorities for the term and the understanding of stakeholder issues identified 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 formulation of the 2017/21 IDP.
Phase 3: Development and tabling of draft plans for 2017/21 IDP and Budget to Council (January-March 2017)	This phase will ensure that the draft legislated and non-legislated plans for the 2017/18 financial year are developed and assessed against the City's vision and the availability of financial resources. It is during this phase that the 2017/18 draft IDP and 2017/18 MTREF will be tabled to Council
Phase 3a: Consolidation and tabling of the mid-year performance assessment	During this phase the performance for the first six months of the financial year

and Budget Adjustment (January to February 2017)	is assessed and reviewed. The 2016/17 annual budget adjustment proposals are considered in January 2017 for the remaining six months of the financial year. This could also result in the adjustment to the 2016/17 SDBIP in accordance with the reviewed performance and adjusted budget. These processes also serve as the basis for planning for 2017/18 IDP and Budget
Phase 4: Commenting on the Draft IDP and Budget (April 2017)	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
Phase 5: Finalization of the 2017/18 revised IDP and 2017/18 MTREF and approval by Council (April -May 2017)	Following all the above processes, the final IDP for 2017/18 and 2017/18 MTREF and 2017/18 BEPP/CIF is consolidated and submitted to Council for approval

#### *Detail of each Phase*

##### *Phase 1: Stakeholder Engagement (August to October 2016)*

The first phase of the IDP process will include the stakeholder participation aimed at ensuring that initial inputs from various stakeholders are received to inform the draft IDP and Budget for the City. The phase will include the following:

- Engaging with ward councillors to discuss the process towards the finalisation of the IDP and Budget, and to confirm the issues for consideration in the 2017/18 IDP;
- Engaging 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: Initiate a Strategic Discussion to Guide the Development of Implementation Plans (September-December 2016)*

Based on the set priorities for the term 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 setting of the strategic agenda for the term of Council. The following activities need to be undertaken:

- Top Management drafts proposals for consideration in the planning and budget cycle as a precursor to the Mayoral Committee discussions on the IDP and Budget.
- The Executive Mayor will convene a Mayoral Lekgotla or Workshop aimed at ensuring that the strategic agenda for the term are identified and that it guide the development of the 2017/18 IDP, MTREF and BEPP/CIF.
- The Budget Office will issue the 2017/18 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 will respond to political priorities set towards the development of draft plans for 2017/18. This will include:
  - Project identification and verification;
  - Developmental interventions; and
  - Performance Analysis.
- The draft BEPP/CIF will inform this process,
- This will result in the development of draft capex projects, confirmation of issues and priorities in the draft BEPP/CIF and inform the draft SDBIP targets for the 2017/18 financial year;
- Agree on the prioritisation of capital projects on the set priorities and Metropolitan Spatial Development Framework of the City.

*Phase 3: Development and tabling of Draft Plans for 2017/18 IDP and Budget to Council (January-March 2017)*

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

- Development of first draft of Departmental, Regional and Municipal Entities' business plans.
- Convening of the Budget Steering Committee (BSC) to assess the departmental submission on the proposed plans and budgets for 2017/18. The Committee is established by the Executive Mayor and supported by Group Financial Services, City Strategies and Performance Management and City Planning and Development in evaluating and scrutinising the proposed projects contained in the Draft 2017/18 MTREF.
- Following the BSC, a Budget Lekgotla or workshop will need to be convened by the Executive Mayor in February 2017 to engage with recommendations of the Budget Steering Committee and to confirm final strategic focus areas and budget proposals for 2017/18.
- Engagement of provincial and national departments on their final plans and programmes for implementation in the city for the 2017/18 financial year to ensure that these are part of the integrated plans of the City.
- Initiate the development of a draft revised 2017/18 IDP and 2017/18 MTREF.
- The revised 2017/18 draft IDP including draft 2017/18 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 2017)*

This phase will ensure that performance for the first six months of the 2016/17 financial year is assessed and reviewed; and the annual budget is adjusted for the remaining six months 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 the basis for planning for 2017/18 financial year.

The following activities will be undertaken:

- Consolidation of 2016/17 adjustment budget inputs from departments within the baseline allocation on the Business Planning and Consolidation (BPC) System;
- Submission of 2016/17 Mid-Year performance review and budget adjustment report for consideration and approval;
- Initiate collation of proposed adjustments to the 2016/17 SDBIP and consultations with all internal stakeholders and subsequent approval by Council.
- The approved 2016/17 Mid-Year Review and Adjusted Budget and the SDBIP to be submitted to National Treasury for assessment

*Phase 4: Commenting on the Draft IDP and Budget (April 2017)*

Following the tabling of the draft plans to Council in March 2017, the phase will focus on engaging stakeholders on the draft IDP and MTREF. The following activities will be undertaken:

- The draft IDP and budget will be publicised as per the legislative requirements;
- The draft 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).
- Departmental, Regional and Municipal Entities' business plans will be presented for political and technical input.
- During the month of April, a series of IDP and budget consultation sessions will be convened to solicit input towards the finalisation of the IDP, Budget and Tariffs. The consultation process will include targeted stakeholder engagements with organised and unorganised groupings as well as the traditional leadership in the City.

*Phase 5: Finalisation of the 2017/18 revised IDP and 2017/18 MTREF, BEPP and Approval by Council (April -June 2017)*

- 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 2017.
- Finalisation of the Service Delivery and Budget Implementation Plan for 2017/18.

- City Manager to submit 2017/18 Service Delivery and Budget Implementation Plan to the Executive Mayor for consideration 14 days after the approval of the budget.
- Executive Mayor tables to SDBIP to Council for noting.

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

ACTION	DETAILS OF THE ACTION	LEGISLATIVE REQUIREMENT	RESPONSIBILITY	TIMEFRAMES
Tabling of the 2017/ 2018 IDP and Budget Process Plan for approval	The IDP and Budget Process Plan which outlines the key deadlines for the development of the 2017/2018 IDP and annual budget is tabled to council for approval at least 10 months before the start of the new financial year.	MSA s28, 29 & 34 & MFMA s21(b)	CSPM	August 2016
IDP and budget induction to Councillors	Roll-out induction programme focusing on legislative requirements relating to IDP and budget and spatial development (i.e. ward based planning including processes for identification of ward needs)	Internal Process	Office of the Executive Mayor,  Office of the Speaker,  Office of the City Manager, City Strategies and Performance Management, City Planning and Development and Chief Financial Officer	August/October 2016
Publication of the 2017/ 2018 approved IDP and Budget Process Plan	Publication of the process plan outlining key deadlines for preparing, tabling and approval of the annual budget and IDP.	MSA s28(3)	City Strategies and Performance Management  Communication, Marketing and	September 2016
on city's website for public information			Events	
Strategic Agenda setting - Mayoral Lekgotla / Workshop	The Mayoral Lekgotla/Workshop to focus on the following: <ul style="list-style-type: none"> <li>• Diagnostic Analysis / Status Quo (2011 – 2016 report)</li> <li>• Political priorities/ directive/budget principles and strategic guidelines for 2017/18 MTREF and</li> </ul>	MFMA Section 52 (c )	Office of the Executive Mayor, Office of the City Manager and CSPM	September / October 2016



	IDP			
Issue IDP review guidelines to departments	Guidelines for the review of the IDP prepared based on key focus areas emanating from the Mayoral Lekgotla	Internal process	City Strategies and Performance Management and Chief Financial Officer	September 2016
Issue budget indicative	Issue indicative (OPEX & CAPEX) allocations and guidelines for budget compilation	Internal process	Chief Financial Officer	September-October 2016
Allocations and guidelines to departments	Issue indicative (OPEX & CAPEX) allocations and guidelines for budget compilation	Internal process	City Planning and Chief Financial Officer	September-October 2016
Community consultation process	Consultation with communities in all the wards for identification of ward needs	MSA sec 16 &17	Office of the Speaker  City Strategies and Performance Management (CSPM)	October-November 2016
Stakeholder engagements	Priority setting process with key stakeholders:  <ul style="list-style-type: none"> <li>• Engagement with Traditional Authorities</li> <li>• Engagement with business sector</li> <li>• Engagement with NGO's and CBO's</li> </ul>		Office of the Executive Mayor,  Office of the Speaker,  Office of the City Manager  CSPM	October-November 2016
Departmental Strategic Planning Sessions	<ul style="list-style-type: none"> <li>• Departments engage in strategic planning sessions</li> <li>• Consider the strategic mayoral Lekgotla resolutions</li> <li>• Projects (as approved by SED's to be captured on CaPs</li> </ul>	Internal Process	All departments  CSPM	October/November 2016
<del>BEPP first draft to MAYCO</del>	<del>BEPP first draft endorsement</del>	<del>Internal process</del>	<del>City Planning and Development</del>	<del>End of October</del>
Submission of Draft BEPP 17/18 to National Treasury	Submit Draft BEPP 17/18 (DORA 17/18) based on the Capex submissions from departments	DORA 17/18	City Planning and Development	1 November 2016
Submission of draft capital project list	Prioritised Capital budget to be submitted to Finance Office (MSCOA Format)	Internal Process	City Planning and Development  Dependency: Departmental Submissions (mid-December)	November 2016 – January 2017

Municipal Entities to submit National Treasury (NT) Schedule D  a municipal entity adjustments budget format;	The CEO's of the active municipal entities to submit NT Schedule D to the relevant CoT Department/s. The relevant Department/s Strategic Executive Officer to submit municipal entities NT Schedule D to the Financial Services Department (MSCOA format)	MFMA Regulations and Circulars	CEO's of Municipal Entities  Relevant Strategic Executive Director/s	November 2016  Submission date to be communicated through Budget Office Circulars
1st Draft departmental IDP & SDBIP scorecards submitted	All departments and MOE's to submit 1st draft departmental IDP & SDBIP scorecards in line with guidelines provided	Internal process	All Departments and MOE's	January 2017
1st Draft 2017/18 Business Plan	Departments to submit the draft 2017/18 Business Plan which contains the draft IDP and SDBIP scorecard	Internal Process	All departments and Entities	January 2017  Business Plans dependent on 1st Draft MayCo Approved MTREF
2016/2017 SDBIP adjustment	Issue SDBIP adjustment communication	Internal process	SDBIP team	January 2017
Modelling of the Long Term Financial Model (LTFM)	The LTFM will ensure medium to long term sustainability	Internal process	Chief Financial Officer	January 2017
2016/17 Mid-Year Review report	The report is submitted to the Mayoral Committee and Council for consideration and approval and will indicate the necessity of an adjustments budget	MFMA s72(1)	Chief Financial Officer	<ul style="list-style-type: none"> <li>• Executive Mayor by 25 January 2017</li> <li>• Council for approval January 2017</li> </ul>
Consolidate Adjustments Budget inputs	Consolidate Adjustments Budget inputs including Human Resources (PCP)	Internal Process	Chief Financial Officer	January 2017
including Human Resources (PCP)				
Preparation of Adjustments Budget report and Annexures	The report and document is prepared in accordance with National Treasury regulations	MFMA s28 and s29	Chief Financial Officer	January 2017
Submission of report for consideration and approval	Report is submitted to the Budget Steering Committee and Mayoral Committee for consideration and approval	MFMA s28 and s29	Chief Financial Officer	January/ February 2017

National Treasury Mid-year Budget/BEPP Review and Performance Assessment Visit	National Treasury's engagement with the City of Tshwane	Internal Process	Executive Mayor City Manager Deputy City Managers Chief Financial Officer Strategic Executive Directors/ Heads	February/March 2017
Budget Steering Committee Hearing	<p>The Budget Steering Committee to conduct an assessment of the 2017/18 submitted business plans/ departmental IDP scorecard and SDBIP's against:</p> <ul style="list-style-type: none"> <li>• The identified political priorities for the city as per Mayoral Lekgotla;</li> <li>• Budget implications for the submitted plans (including motivations for CAPEX and OPEX projects not catered for by CIF; and</li> <li>• Draft Built Environment Performance Plan (BEPP)/Capital Investment Framework (CIF).</li> </ul>	MFMA s52 (c) and Municipal Reporting Regulations 4(1) s53	Budget Steering Committee	February 2017
2016/17 Adjustment to the SDBIP based on the Mid – year	<ul style="list-style-type: none"> <li>• Council to consider the proposed adjustments to the SDBIP</li> <li>• The approved adjustments to the SDBIP</li> </ul>	MFMA s54 (1)c	Council	February 2017
Budget and Performance Review	to be submitted to National Treasury post approval by Council			
Mayoral Budget Lekgotla	<p>The focus of the Budget Lekgotla:</p> <ul style="list-style-type: none"> <li>• Confirm the capex priorities and make recommendations</li> <li>• Confirm MTREF areas of emphasis to allow for alignment the IDP high level summary.</li> </ul>	MFMA s52 (c )	Office of the Executive Mayor	February 2017
Consultation with Mayoral	Presentation of the draft annual budget, draft IDP	Internal Process	City Manager	March 2017

Committee	and first draft SDBIP (inclusive of Entities) for 2017/18			
Tabling of the draft IDP, Budget (MTREF) and BEPP/CIF	Tabling of draft annual budget, draft IDP together with BEPP/CIF for 2017/18 for noting by Council	MFMA Sections 16 & 17	Council	March 2017
2nd Draft 2017/18 Business Plan submission	Departments to submit the 2nd draft 2017/18 Business Plan which contains the draft IDP and SDBIP scorecard which is aligned to the draft MTREF	Internal Process	All departments and Entities	April 2017  Business Plans dependent on 1st Draft MayCo Approved MTREF
Publication of draft IDP & Budget and consultations with communities and stakeholders	Consultations for a period of 21 days for comment on the draft IDP and Budget as tabled in Council	MFMA Sections 22 and 23  MSA Chapter 4, s21 A	Office of the Speaker; Office of the Executive Mayor; All departments and Regions	April 2017
National Treasury Municipal Budget and Benchmark exercise	Engagement and Benchmark Exercise on the tabled draft IDP and MTREF by National Treasury  <ul style="list-style-type: none"> <li>• 2017/18 BEPP Review presentation to NT</li> <li>• Review presentations by all departments to NT</li> </ul>	IGR process	National Treasury	April/May 2017
Refinement and finalisation of the annual Budget, IDP and Corporate SDBIP	<ul style="list-style-type: none"> <li>• Based on comments received from communities and stakeholders, finalise the 2017/18 IDP and 2017/18 budget;</li> <li>• BEPP/CIF Review</li> </ul>	Internal Process	CSPM;  Finance department;  City Planning and Development department;	April and May 2017
	process (city's spatial priority programmes in line with set political priorities & grant alignment & intergovernmental budget alignment		Top Management and Mayoral Committee  National Treasury	
Approval of the Budget, IDP, BEPP/CIF for 2017/18 inclusive of Municipal Owned	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	MFMA Sections 16, 19, 24, 26, 53  MSA Section 38 – 45  MFMA s87	Council	May 2017

Entities must finalise and submit their business plans also.	performance objectives and targets; revenue by source and expenditure by vote.			
Approval of the 2017/18 SDBIP	Final approval of the SDBIP by the Executive Mayor.	MFMA Sections 69 (3)a	Executive Mayor	June 2017
Approval of 2017/18 Business Plan	Consolidated departmental plans including required resources to be approved, this include those of Entities	Internal Process	Mayoral Committee	July 2017

#### 4.4 RISK AND QUALITY MANAGEMENT

It is essential that each role-player perform their roles in the timelines set out above, otherwise the process of reviewing the IDP and compiling the budget will not be effective. The intention of stakeholder engagement is to ensure that communities in a structured and representative manner participate in the planning and decision making processes of local government.

Risk event	Probability of Risk event occurring	Impact of risk	Risk mitigation measure		Risk owner
			Prevent	Manage	
Process Milestones not met	Medium	<ul style="list-style-type: none"> <li>The IDP and budget compilation and/ or review delayed.</li> <li>Possibility of a qualification due to not meeting legislative timelines.</li> </ul>	Quarterly monitoring of milestones by the DCM: Strategy Development and Implementation on behalf of the CM	Elevate strategic risks to the EM and MayCo for resolution.	City Manager  DCM: Strategy Development and Implementation  Group CFO  City Manager
					Executive Mayor
Scope changes	Medium	<ul style="list-style-type: none"> <li>Timelines extended</li> <li>Impact on the quality of the documents produced</li> </ul>	All stakeholders to provide feedback on the milestones and timelines prior to finalization at Council.	MayCo to make trade-offs should changes be made after approval of the process plan.  Additional resources to be made available should they be required.	DCM: Strategy Development and Implementation  Group CFO  City Manager

					Executive Mayor
--	--	--	--	--	-----------------

## 5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

### 5.1 COMMENTS OF THE GROUP CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

The purpose of this report is to obtain approval for the 2017/18 Integrated Development Plan (IDP) and MTREF process plan, as required in terms of the Municipal Systems Act, 32 of 2000 (MSA) and 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 and that proposals developed by departments, entities and the City will have financial implications.

All financial implications which will emanate as a result of this report should be managed within the limitations of the approved Medium-Term Revenue and Expenditure Framework of the relevant departments and entities.

### 5.2 COMMENTS OF THE GROUP LEGAL COUNSEL

In terms of section 51 of the Local Government: Municipal Systems Act, 32 of 2000 provides that the Municipality within its administrative and financial capacity is empowered to establish and organize its administration in a manner that would enable the Municipality to, inter alia, be responsive to the needs of the local community; be performance orientated and focused on the objects of the local government set out in section 152 of the Constitution and its developmental duties as required by section 153 of the Constitution; and to organize its administrative in a flexible way in order to respond to changing priorities and circumstances.

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.

In terms of section 25(1) of the MSA.

*"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."*

Section 34 of the MSA states that a Municipal Council must inter alia, review its Integrated Development Plan annually in accordance with an assessment of its performance measurements, and further amend its IDP plan in accordance with its prescribed process.

Therefore, Group Legal Services advises that the report is legally in order and the contents and recommendations are thus supported

### 5.3 COMMENTS OF THE STRATEGIC EXECUTIVE DIRECTOR: CITY PLANNING AND DEVELOPMENT

The City Planning and development department supports the IDP Process Plan for the 2017/2018 MTREF with the following inputs:

Cities the world over are engines economic development so it is for this reason that its development and any form of investment is formed by the Council adopted Spatial Vision, the Metropolitan Spatial Development Framework 2012 and all the hierarchy of spatial plans alongside the long-term strategy, Tshwane Vision 2055. As part of ensuring that the IDP and Budget formulation are aligned to the city's Spatial Vision attention should be drawn to the recommendations as set out below:

#### 1. Budget Indicatives

Continuing with the 2016/2017 IDP/MTREF, whilst the Finance Department remains responsible for issuing the overall budget indicative, City Planning and Development Department should continue issuing departmental, regional and municipal entities budget indicatives based on scientific/evidence based spatial budgeting mechanism. The city's physical structure amongst other is influenced by capital investment hence it is pertinent that the develops a spatially based budget to inform short, medium and long term investment, thus implementing the provisions of Chapter 4 of the Spatial Planning and Land Use Management Act, 2013 (SPLUMA).

#### 2. Induction of Councillors

Based on the above, the spatial component towards the IDP and Budget formulation should be included within the IDP Process Phase during August to October 2016

#### 3. Risk and Quality Management

- Ensuring compliance to mSCOA requirements, the institutionalisation and immediate procurement for the Capital Investment Planning System (CaPS) should be prioritised and elevated at all levels of management;
- Sign-off for Capex Submissions on CaPS by all SEDs and MMCs to ensure credibility and ownership of submitted capex programmes to avoid process delays for spatially prioritised capex budget handover to the Finance Department as per IDP Process plan; and
- Accountability towards quality data input on CaPS in order to produce quality reports for the IDP, Draft Capital Investment Framework (CaPS) and the Built Environment Performance Plan (BEPP) as well as mSCOA requirements.

## 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 a 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

The process outlined above is compliant with the Municipal Systems Act (as amended) and the Municipal Finance Management Act, as well its regulations.

### 6.4 COMMUNICATION

Once approved, the IDP Process Plan 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

The approval of the process plan will ensure that the City follow a structured approach in the review of the IDP and the preparation of the 2017/18 MTREF. Approval of the process plan further will ensure compliance to the prescripts of the MSA and MFMA.



The Mayoral Committee on 25 August 2016 resolved to recommend to Council as set out below:

During consideration of this item by Council on 31 August 2016, and after Cllr MS Marishane, CM Van den Heever (Chief Whip of Council) and ST Msimanga (Executive Mayor) addressed Council on this matter, it was resolved as set out below:

RESOLVED:

1. That the 2017/18 Integrated Development Plan (IDP) and Budget process plan, set out in the body of the report, in compliance with Section 28(1) and 29 of the Municipal Systems Act and Section 21 of the Municipal Finance Management Act, be approved.
2. That the approved Integrated Development Plan (IDP) and Budget Process Plan be submitted to the Gauteng Member of the Executive Council (MEC) of Local Government as well as to National and Provincial Treasuries.

