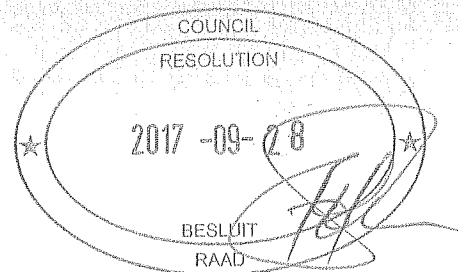


Reference No 48079/1  
Nosipho Hlatshwayo (4749)  
COUNCIL: 31 August 2017



17. CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT  
APPROVAL OF THE 2018/19 INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW  
AND PREPARATION OF THE MEDIUM-TERM REVENUE AND EXPENDITURE  
FRAMEWORK (MTREF) PROCESS PLAN  
(From the Executive Committee: 21 August 2017 and the Special Mayoral  
Committee: 23 August 2017)

1. PURPOSE

To obtain approval for the 2018/19 Integrated Development Plan (IDP) review and Medium-Term Revenue and Expenditure Framework (MTREF) preparation 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 cares for residents and promotes inclusivity  
2.2 A City that is open, honest and responsive

3. BACKGROUND

The City Tshwane adopted the 2017/21 Integrated Development Plan (IDP) on 25 May 2017 in terms of Section 25 of the Municipal Systems Act (MSA).

Section 25(1) of the Municipal Systems Act (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 2017/21 IDP unanimously on 25 May 2017.*

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;"*

*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-

(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)."

*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 2018/2019 will further guide the city's budget formulation.*

In developing this process plan for 2018/19, consideration is taken to consider other legal requirements in relation to the approval of the IDP, SDBIP and budget.

#### 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 2017/18 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 roll 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

Phase	Purpose of the Phase
Phase 1: Setting the strategic planning agenda to guide the review process and to initiate engagements with stakeholders	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 details which will be included in Tshwane 3 Decade Blueprint (T3DB) which is currently being developed.

	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 for 2018/19 financial year
Phase 2: Initiate the development of programme and project specific deliverables to be included in the IDP review and budget for the 2018/19 financial year. This will guide the development of implementation plans (September-December)	Based on the detail focus which will be derived from the draft proposals in T3DB 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
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 2018/19 financial year are developed and assessed against the City's long term vision and the availability of financial resources. It is during this phase that the 2018/19 draft reviewed IDP and 2018/19 MTREF will be tabled to Council
Phase 3a: Consolidation and tabling of the mid-year performance assessment and Budget Adjustment (January to February 2018)	During this phase the performance for the first six months of the financial year is assessed and reviewed. The 2017/18 annual budget adjustment proposals are considered in February 2018 for the remaining period of the financial year. This could also result in the adjustment to the 2017/18 SDBIP in accordance with the reviewed performance and adjusted budget. These processes also serve as the basis for planning for 2018/19 financial year
Phase 4: Commenting on the Draft IDP and Budget (April 2018)	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 2018/19 revised IDP and 2018/19 MTREF and Approval by Council (April -May 2018)	Following all the above processes, the final IDP for 2018/19 and 2018/19 MTREF and 2018/19 BEPP/CIF is consolidated and submitted to Council for approval

#### *Detail of each Phase*

*Phase 1: Setting the strategic planning agenda and initiate engagements with stakeholders (September to October 2017)*

The first phase of the IDP process will be based on the set priorities for the term and the understanding of the draft proposals which will be generated in Tshwane 3 Decade Blueprint (T3DB) and to unpack the T3DB 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 through the finalisation of T3DB, and that it guide the development of the 2018/19 IDP, MTREF and BEPP/CIF;
- Engaging with city wide stakeholders to discuss current implementation and the proposals to be included in the of the IDP;
- 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 2018/19 financial year (September-December 2017)*

Based on the priorities and final proposals in T3DB 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 2018/19 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 to T3DB priorities towards the development of draft plans for 2018/19 financial year. This will include:
  - Project Identification and verification;
  - Developmental interventions; and
  - 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 2018/19 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 2018/19 IDP and Budget to Council (January-March 2018)*

This phase will ensure that the draft legislated and non-legislated plans for the financial year are developed and assessed against T3DB 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 2018/19. 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 2018/19 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 2018/19;
- Engagement of provincial and national departments on their final plans and programmes for implementation in the city for the 2018/19 financial year to ensure that these are part of the integrated plans of the City;
- Initiate the development of a draft revised 2018/19 reviewed IDP and 2018/19 MTREF.
- The revised 2018/19 draft IDP including draft 2018/19 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 2017/18 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 2017/18 adjustment budget inputs from departments within the baseline allocation on the Business Planning and Consolidation (BPC) System;
- Submission of 2017/18 Mid-Year performance review and budget adjustment report for consideration and approval;
- Initiate collation of proposed adjustments to the 2017/18 SDBIP and consultations with all internal stakeholders and subsequent approval by Council; and

The approved 2017/18 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 2018/19 Budget (April 2018)*

Following the tabling of the draft plans to Council in March 2018, 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.
- 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 2018/19 revised IDP and 2018/19 MTREF, BEPP and Approval by Council (April -June 2018)*

- 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 2018/19;
- City Manager to submit 2018/19 Service Delivery and Budget Implementation Plan to the Executive Mayor for consideration 14 days after the approval of the budget;
- Executive Mayor approves the 2018/19 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:

ACTION	DETAILS OF THE ACTION	LEGISLATIVE REQUIREMENT	RESPONSIBILITY	TIMEFRAMES
Tabling of the 2018/ 2019 IDP and Budget Process Plan for approval	The IDP and Budget Process Plan which outlines the key deadlines for the review of the 2018/2019 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)	City Strategy and Organisational Performance Management (CSOP), supported by Finance and Economic Development and Spatial Planning	August 2017
Popularising Capital Investment Framework (CIF) and Built Environment Performance Plan (BEPP) to facilitate capturing of projects by departments	Economic Development and Spatial Planning to engage with departments and popularise the CIF/BEPP to guide departments when capturing project lists.	Internal Process	Economic Development and Spatial Planning, CSOPM (SDBIP and Project) team to be invited	August 2017 (Initiating process for departments how to approach capturing) to January 2018
Publication of the 2018/ 2019 approved IDP and Budget Process Plan on city's website for public information	Publication of the process plan outlining key deadlines for preparing, tabling and approval of the annual budget and IDP.	MSA s28(3)	City Strategy and Organisational Performance Management  Communication, Marketing and Events	September 2017
City Manager and Top management strategic planning	Induction of new management on the City's processes.  Discussion on the developmental challenges and development of approaches to address these  Preparation for the Mayoral Strategic Planning session and thereafter, response to the MayCo medium term directive	Internal process	Office of the City Manager and Top Management	September – October 2017
Strategic Agenda setting - Mayoral strategic planning session	The Mayoral strategic planning session to focus on the following:  • Presentation and agreement on draft proposals for Tshwane 3 Decade Blueprint (T3DB) • Proposals for required changes/ amendments to the approved 2017/18 IDP to be	MFMA Section 52 (c )	Office of the Executive Mayor and Office of the City Manager	October 2017



	<p>informed by the draft T3DB to inform the 2018/21 plans</p> <ul style="list-style-type: none"> <li>• Evaluation on progress made during the first year of governance of the new administration.</li> <li>• Setting/confirmation of priorities/directive/budget principles and strategic guidelines for 2018/19 MTREF and IDP</li> </ul>			
Special MayCo	<p>MAYCO discussions on 2018/19 IDP &amp; Budget strategic focus areas</p> <p>Adoption of Prioritisation Model for 2018/19 – 2020/21</p>	Internal process	Office of the Executive Mayor supported by Group Finance, CSOPM and Economic Development and Spatial Planning	October 2017
Modelling of the Long Term Financial Model (LTFM)	The LTFM will ensure medium to long term sustainability	Internal process	Chief Financial Officer	October 2017 (to inform adjustment budget)
Issue IDP review guidelines to departments	Guidelines for the review of the IDP prepared based on key focus areas emanating from the strategic planning processes	Internal process	City Strategy and Organisational Performance Management and Chief Financial Officer	October 2017
Issue budget indicative es, allocations and guidelines to departments	Issue indicative (OPEX & CAPEX) allocations and guidelines for budget compilation	Internal process	Chief Financial Officer	October 2017
Stakeholder engagements	<p>Priority setting process with key stakeholders:</p> <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> <li>• Engagement with various other stakeholder groups</li> </ul>	<p>MSA sec 16 &amp; 17</p> <p>IGR Act, (Act No. 13 of 2005)</p>	<p>Office of the Executive Mayor,</p> <p>Office of the Speaker,</p> <p>Office of the City Manager, and City Strategy and Organisational Performance Management</p>	October 2017 to January 2018
Departmental Strategic Planning Sessions	<ul style="list-style-type: none"> <li>• Departments engage in strategic planning sessions with the focus on the following:</li> <li>• Implementation of the Mayoral Strategic Planning and City Manager Top Management strategic planning session 's resolutions</li> </ul>	Internal Process	All departments	October to 15 December 2017

	<ul style="list-style-type: none"> <li>• Prioritise projects to be captured on CaPs</li> </ul>			
Submission of draft capital project list and expenditure projections	Prioritised Capital budget to be submitted to Finance Office (MSCOA Format)	Internal Process	Economic Development and Spatial Planning Departmental	December 2017 – January 2018
Municipal Entities to submit National Treasury (NT) Schedule D (original budget)	The CEO's of the active 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 Financial Services Department (mSCOA format)	MFMA Regulations and Circulars	CEO's of Municipal Entities,  Relevant HOD's of Tshwane departments overseeing the relevant entities	January 2018  Submission date to be communicated through Budget Office Circulars
Submission of adjustments budget by Departments	Adjustments Budget capturing guidelines will be communicated through Budget Office Circulars.	MFMA sec 28	Chief Financial Officer	December 2017
2017/2018 SDBIP adjustment	Issue SDBIP adjustment communication based on possible adjustment to budget	Internal process	CSOPM (SDBIP team)	December 2017
Municipal Entities to submit Schedule E (Adjustments Budget)	The CEO's of the active 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.	MFMA Regulations and Circulars	CEO's of Municipal Entities,  Relevant HOD's of Tshwane departments overseeing the relevant entities	December 2017
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 to CSOPM	Internal process	All Departments and MOE's	January 2018
Modelling of the Long Term Financial Model (LTFM)	The LTFM will ensure medium to long term sustainability	Internal process	Chief Financial Officer	January 2018 (to inform 2018/19 Budget)
2017/18 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 2018</li> <li>• Council for approval January 2018</li> </ul>
Consolidate Adjustments Budget inputs including Human	Consolidate Adjustments Budget inputs including Human Resources (PCP)	Internal Process	Chief Financial Officer	January 2018

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 2018
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	February 2018
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 Chief Financial Officer Chief Operations Officer Group Heads	February/ March 2018
2017/18 Adjustment to the SDBIP based on the Mid – year Budget and Performance Review	<ul style="list-style-type: none"> <li>• Council to consider the proposed adjustments to the SDBIP</li> <li>• The approved adjustments to the SDBIP to be submitted to National Treasury post approval by Council</li> </ul>	MFMA s54 (1)c	CSOPM Council	February 2018
Budget Steering committee Hearings	<p>The Budget Steering Committee to conduct an assessment of the 2018/19 submitted targets against:</p> <ul style="list-style-type: none"> <li>• The Tshwane Development Strategy 2030</li> <li>• The identified priorities for the City as per Mayoral Strategic Planning resolutions</li> </ul>	MFMA s52 (c) and Municipal Reporting Regulations 4(1) s53	Budget Steering Committee supported by CSOPM, Economic Development and Spatial Planning and CFO	February 2018
	<ul style="list-style-type: none"> <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>			
Mayoral Budget Planning session	<p>The focus of the Budget planning session is to:</p> <ul style="list-style-type: none"> <li>• Confirm the capex priorities and make recommendations</li> </ul>	MFMA s52 (c)	Office of the Executive Mayor	February 2018

	<ul style="list-style-type: none"> <li>Confirm MTREF areas of emphasis to allow for alignment the IDP high level summary.</li> </ul>			
Consultation with Mayoral Committee	Presentation of the draft annual budget, draft IDP and first draft SDBIP (inclusive of Entities) for 2018/19	Internal Process	City Manager, CSOPM, Economic Development and Spatial Planning and CFO	March 2018
Tabling of the draft IDP, budget (MTREF) and BEPP/CIF	Tabling of draft annual budget, draft IDP together with BEPP/CIF for 2018/19 for noting by Council	MFMA Sections 16 & 17	CSOPM, CFO and ED & SP  MayCo  Council	End March 2018
Submission of Draft BEPP 18/19 to National Treasury	Submit Draft BEPP 18/19 (DoRA 17/18) based on the capex submissions from departments (The indicatives as included in the 2017/18 DoRA will be used for the purpose of planning. When the 2018/19 DoRA is issued, all grants (opex and capex) will be updated)	DORA 18/19	Economic Development and Spatial Planning	End March 2018
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 2018
1st Draft 2018/19 Business Plan	Departments to submit the draft 2018/19 Business Plan which contains the draft IDP and SDBIP scorecard	Internal Process	All departments and Entities	End April 2018
National Treasury Municipal Budget and Benchmark exercise	Engagement and Benchmark Exercise on the tabled draft IDP and MTREF by National Treasury	IGR process	National Treasury	April 2018
	<ul style="list-style-type: none"> <li>2018/19 BEPP Review presentation to NT</li> <li>IDP and Budget Review presentations by all departments to NT</li> </ul>			
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 2018/19 IDP and 2018/19 budget;</li> <li>BEPP/CIF Review process (city's spatial priority programmes in line with Tshwane Development</li> </ul>	Internal Process	CSOPM;  Finance department  Economic Development and Spatial Planning department	April and May 2018

	Strategy 2030, grant alignment & intergovernmental budget alignment		Top Management and Mayoral Committee National Treasury	
Approval of the Budget, IDP, BEPP/ CIF for 2018/19 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; revenue by source and expenditure by vote.	MFMA Sections 16, 19, 24, 26, 53  MSA Section 38 – 45  MFMA s87	Council	End May 2018
Submission of BEPP 18/19 to National Treasury	Submit BEPP 18/19 (DORA 18/19) to National Treasury	DORA 18/19	Economic Development and Spatial Planning	End of May 2018
Approval of the 2018/19 SDBIP	Final approval of the SDBIP by the Executive Mayor.	MFMA Sections 69 (3)a	Executive Mayor	June 2018
Approval of 2018/19 Departmental Business Plans	Consolidated departmental plans including required resources to be approved, this include those of Entities	Internal Process	Mayoral Committee	July 2018

## 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 review 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 GH: City Strategy and Organisational Performance Management department  on behalf of the CM	Elevate strategic risks to the EM and MayCo for resolution.	City Manager  GH: City Strategy and Organisational Performance Management department  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.	<p>MayCo to make trade-offs should changes be made after approval of the process plan.</p> <p>Additional resources to be made available should they be required.</p>	<p>GH: City Strategy and Organisational Performance Management department</p> <p>Group CFO</p> <p>City Manager</p> <p>Executive Mayor</p>

## 5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

### 5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognizance is taken of the contents of the report.

The purpose of the report is to obtain approval for the 2018/19 Integrated Development Plan (IDP) review and MTREF preparation 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 and that the proposals developed by departments, entities and the City will have financial implications.

It should be noted that all financial implications emanating as result of this report must be managed within the approved budget allocations of the responsible departments.

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

The purpose of this report is to obtain approval for the 2018/19 Integrated Development Plan (IDP) review and MTREF preparation 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).

The report is aligned with Strategic Objectives 4 which aims at promoting Good Governance and Active Citizenry.

In terms of Section 11(3) (a) (c) & (n) of the Local Government: Municipal Systems Act 32 of 2000, A municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, establishing and maintaining an administration and also by doing anything else within its legislative and executive competence.

In accordance with Section 21 of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must 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.

Section 17(3) of the Municipal Finance Management Act 56 of 2003 provides that, when an annual budget is tabled in terms of section 16(2), it must be accompanied by amongst others the following documents:

1. any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act.

Section 25(1) of the Municipal Systems Act 32 of 2000 provides that, 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.

In terms of Section 25(4) of the Municipal Systems Act 32 of 2000, a municipality must, within 14 days of the adoption of its integrated development plan in terms of subsection (1) or (3)–

(a) give notice to the public—

1. of the adoption of the plan; and
2. that copies of or extracts from the plan are available for public inspection at specified places; and

(b) publicise a summary of the plan.

Section 34 of the Municipal Systems Act 32 of 2000, stipulates that, a municipal council—

(a) must review its integrated development plan—

1. annually in accordance with an assessment of its performance measurements in terms of section 41; and
2. to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process.

Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal and Secretariat Services Department support the approval of the report and the recommendations thereof and submits that the report and its annexures be referred to the Mayoral Committee for their attention and approval of the recommendations.

## 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

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 Integrated Development Plan (IDP) review and Medium-Term Revenue and Expenditure Framework (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 Member of the Executive Council (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

Approval of the 2017/21 Integrated Development Plan and 2017/18 - 2019/20 Medium-Term Revenue and Expenditure Framework (MTREF) on 25 May 2017.

## 7. CONCLUSION

The approval of the 2018/19 Integrated Development Plan (IDP) review and budget process plans will allow the review of the Integrated Development Plan (IDP) as prescribed by the Municipal Systems Act (MSA) and Municipal Finance Management Act (MFMA) in accordance with a prescribed process with specific milestones and target dates as required by the applicable legislation.

**The Special Mayoral Committee on 23 August 2017 resolved to recommend to Council as set out below:**



**IT WAS RECOMMENDED (TO THE COUNCIL: 28 SEPTEMBER 2017):**

1. That the 2018/19 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; and
3. 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.

During consideration of this item by Council on 28 September 2017, the following Councillors participated in a debate:

NP Tyobeka-Makeke  
K Mafole

Subsequently, Cllr Prof CJ Napier seconded by Cllr CN McDonald proposed the following additional recommendation:

(Unaltered)

3. "That the 2018/19 Integrated Development Plan (IDP) Review and Budget preparation Process Plan be submitted to the Section 79 Oversight Standing Committee for further scrutiny".

The Council acceded to Cllr Prof Napier's proposal and it was thereafter resolved as set out below:

**RESOLVED:**

1. That the 2018/19 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.
3. That the 2018/19 Integrated Development Plan (IDP) Review and Budget preparation Process Plan be submitted to the Section 79 Oversight Committee: IDP for further scrutiny.

