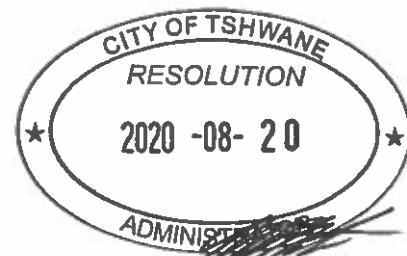


Reference no. 94704/1  
Nosipho Hlatshwayo (4749)  
MEETING OF THE ADMINISTRATOR: 20 August 2020



**1.2.2 CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT  
APPROVAL OF THE 2021/22 INTEGRATED DEVELOPMENT PLAN (IDP) AND  
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)  
PROCESS PLAN  
(From the Executive Committee: 18 August 2020)**

**1. PURPOSE**

To obtain approval for the 2021/22 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).

**2. STRATEGIC PILLARS**

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;
  - (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).”

Bulk purchases guidelines:

Section 43 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) reads as follows:

"43 (1) If a national or provincial organ of state in terms of a power specified in any national or provincial legislation determines the upper limits of a municipal tax or tariff, such determination takes effect for municipalities on a date specified in the determination.

(2) Unless the Minister on good grounds approves otherwise, the date specified in a determination referred to in subsection (1) may –

- (a) If the determination was promulgated on or before 15 March in a year, not be a date before 1 July in that year; or
- (b) If the determination was promulgated after 15 March in a year, not be a date before 1 July in the next year"

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-

- Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which annual budgets must be based;
- Complies with the provisions of Chapter 5 of the MSA; and
- 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 Administrator Council adopted the 2020/21 IDP on 30th June 2020. 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 -
  - Must review its integrated development plan-
    - Annually in accordance with the assessment of its performance measurement; and
    - 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 2021/22 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; 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	<p>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 emanating from the PESTLE analysis to inform the 2030 long term strategy.</p> <p>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 2021/22 financial year.</p>
Phase 2: Initiate the development of programme and project specific deliverables to be included in the IDP review and budget for the 2021/22 financial year. This will guide the development of implementation plans (September-December)	<p>Based on the detail focus which will be derived from the detail proposals in Tshwane Development Strategy 2030 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.</p>
Phase 3a: Consolidation and tabling of the mid-year performance assessment and Budget Adjustment (January to February 2021)	<p>During this phase the performance for the first six months of the financial year is assessed and reviewed. The 2020/21 annual budget adjustment proposals are considered in February 2021 for the remaining period of the financial year. This could also result in the adjustment to the 2020/21 SDBIP in accordance with the reviewed performance and adjusted budget. These processes also serve as the basis for planning for 2020/21 financial year</p>
Phase 3b: Development and tabling of Draft Plans for 2021/22 IDP and Budget to Council (January-March 2021)	<p>This phase will ensure that the draft legislated and non-legislated plans for the 2021/22 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 2021/22 draft reviewed IDP and 2021/22 MTREF will be tabled to Council</p>
Phase 4: Commenting on the Draft IDP and Budget (April 2021)	<p>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</p>
Phase 5: Finalization of the 2021/22 revised IDP and 2021/22 MTREF and Approval by Council (April -May 2021)	<p>Following all the above processes, the final IDP for 2021/22 and 2021/22 MTREF and 2020/21 BEPP/CIF is consolidated and submitted to Council for approval</p>

#### 4.1 Detail of each Phase

Phase 1: Setting the strategic planning agenda and initiate engagements with stakeholders (September to October 2020). This will probably be done through using electronic platforms to facilitate meetings with stakeholders. The Departments must

identify all their stakeholders and plan engagements accordingly. Issues raised by communities during the April-May 2020 public participation process must be taken into consideration when planning for the new financial year.

The first phase of the IDP process will be based on the set priorities for the term and the understanding of the results from the PESTLE analysis for the Tshwane Development Strategy 2030 and share it with stakeholders to allow input on it for consideration before final approval. The following activities need to be undertaken:

- The Administrator to convene a strategic development engagement aimed at ensuring that the strategic agenda for the term is strengthened and that it guide the development of the 2021/22 IDP, MTREF and BEPP/CIF;
- Engaging with city wide stakeholders to identify and prioritise the needs of the community. Issues raised during the IDP consultation period must be taken, Department led by the relevant Administrator must engage community stakeholders and solicit priority needs of the community;
- 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 2021/22 financial year (November-December 2020) Based on the priorities and final proposals in from the PESTLE analysis for TDS 2030 and the understanding of stakeholder issues identified in Phase 1, Phase 2 will be utilised to set 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. Projects that they highlight must be captured on CAPS;
  - Budget Office issue 2021/22 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 the set priorities towards the development of draft plans for 2021/22 financial year.

This will include:

- Identifying strategic departmental programmes;
- Project Identification and verification;
- Developmental interventions; and
- Review of Performance Analysis.

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 2021/22 financial year; Agree on the prioritization of capital projects based on the set IDP priorities and the Metropolitan Spatial Development Framework of the City. Phase 3a: Consolidation and tabling of the mid-year performance assessment and Budget Adjustment (January to February 2021) This phase will ensure that performance for the first six months of the 2020/21 financial year is assessed and reviewed; and the 2020/21 adjustment 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 2020/21 adjustment budget inputs from departments;
- Submission of 2020/21 Mid-Year performance review and budget adjustment report for consideration and approval;
- Initiate collation of proposed adjustments to the 2020/21 SDBIP and consultations with all internal stakeholders and subsequent approval by Council; and
- The approved 2020/21 Mid-Year Review and Adjusted Budget and the SDBIP to be submitted to National Treasury for assessment. Phase 3b: Development and tabling of Draft Plans for 2021/22 IDP and Budget to Council (January-March 2021) This phase will ensure that the draft legislated and non-legislated plans for the financial year are developed and assessed against proposals from the PESTLE analysis for TDS 2030 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 2021/22. The Committee is established by the City Manager and supported by Group Financial Services, City Strategies and Organizational Performance Management and Economic Development and Spatial Planning in evaluating and scrutinizing the proposed projects contained in the Draft 2021/22 budget;
  - Following the BSC, a Mayoral Budget session need to be convened by the Lead Administrator/ Executive Mayor in February to engage with recommendations of the Budget Steering Committee and to confirm final strategic focus areas and budget proposals for 2021/22;
  - Engagement of provincial and national departments on their final plans and programmes for implementation in the city for the 2021/22 financial year to ensure that these are part of the integrated plans of the City;
  - Initiate the development of a draft revised 2021/22 reviewed IDP and 2021/22 MTREF;
  - The revised 2021/22 draft IDP including draft 2021/22 MTREF and CAPEX budget, and tariffs will be tabled at Mayoral Committee and Council for public and stakeholder consultations, comment and input. Phase 4: Commenting on the Draft reviewed IDP and 2021/22 Budget (April 2021) Following the tabling of the draft plans to Council in March 2021, 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 publicized 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); and
- 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 finalization of the reviewed IDP, Budget and Tariffs. The consultation process will include stakeholder engagements with organised and un-organised groupings as well as the traditional leadership in the City. Phase 5: Finalization of the 2021/22 revised IDP and 2021/22 MTREF, BEPP and Approval by Council (April -June 2021):

- Based on comments received in phase 4, the revised IDP, MTREF and BEPP will be finalized 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 2021;
- Finalization of the Service Delivery and Budget Implementation Plan for 2021/22;
- City Manager to submit 2021/22 Service Delivery and Budget Implementation Plan to the Executive Mayor for consideration 14 days after the approval of the budget;
- Executive Mayor approves the 2021/22 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:

<b>ACTION</b>	<b>DETAILS OF THE ACTION</b>	<b>LEGISLATIVE REQUIREMENT</b>	<b>RESPONSIBILITY</b>	<b>TIMEFRAMES</b>
<b>Tabling of the 2021/22 IDP and Budget Process Plan for approval</b>	The IDP and Budget Process Plan which outlines the key deadlines for the review of the 2020/21 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 2020
<b>Departmental training for capturing of project on CaPS</b>	Economic Development and Spatial Planning to engage with departments and popularise the CIF/CEF to guide departments when capturing project lists.	Internal Process	Economic Development and Spatial Planning, CSOPM (SDBIP and Project) teams.	August/ September 2020

<b>Popularising Capital Investment Framework (CIF)/Capital Expenditure Framework (CEF) to facilitate capturing of projects by department</b>	Economic Development and Spatial Planning to engage with departments and popularise the CIF/CEF to guide departments when capturing project lists. A technical working group meeting will be held before end of Quarter 1.	Internal Process	Economic Development and Spatial Planning, CSOP (SDBIP and Project) teams	August 2020 (Initiating process for departments how to approach capturing) to January 2021
<b>Publication of the 2021/22 approved IDP and Budget Process Plan on city's website for public information</b>	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	1st week of September 2020
<b>Strategic Agenda setting - Strategic planning session</b>	The Mayoral strategic planning session to focus on the following:  Proposals for required changes/ amendments to the IDP Evaluation on progress made during the quarter of the year. Setting and confirming priorities/ directives/ budget principles and strategic guidelines for 2021/22 MTREF and IDP	MFMA Section 52 (c)	Office of the Executive Mayor and Office of the City Manager	End of September 2020
<b>City Manager and Top management strategic planning</b>	Unpacking the Strategy Plan and formulating short to medium intervention for inclusion in the IDP review and budget proposals for 2021/22.	Internal process	Office of the City Manager and Top Management	October 2020
<b>Special Administrator meeting on IDP &amp; MTREF</b>	Discussions on 2020/21 IDP & Budget strategic focus areas  Adoption of Prioritisation Model for 2021/22 – 2023/24 MTREF	Internal process	Office of the Executive Mayor supported by ED & SP, CSOP, Budget Office	October – November 2020
<b>Issue IDP review guidelines to departments</b>	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 2020
<b>Issue budget indicatives</b>	Issue indicative OPEX & CAPEX allocations	Internal process	Chief Financial Officer	November 2020
<b>Modelling of the Long Term Financial Plan (LTFM)</b>	The LTFM will ensure medium to long term sustainability	Internal process	Chief Financial Officer	December 2020
<b>Issue budget guidelines</b>	2021/22 MTREF budget guidelines and	Internal process (informed by NT	Chief Financial Officer	(to inform adjustment budget) December 2020

<b>Issue tariff guidelines</b>	principles will be communicated through a budget circular 2021/22 MTREF tariff guidelines will be communicated through a budget circular	MTREF budget circular)	Internal process (informed by NT MTREF budget circular)	Chief Financial Officer	December 2020
<b>Session with departments on the Annual Budget process</b>	Session with departmental finance support officials regarding the annual budget process:		Internal process	Chief Financial Officer	December 2020
<b>Issue adjustment budget guidelines</b>	To provide guidance and confirm budget principles and approach for 2021/22 2020/21 Adjustment budget guidelines will be communicated through a budget circular		MFMA sec 28	Chief Financial Officer	November 2020
<b>Capturing and submission of 2020/21 adjustment budget by departments</b>	Departments to capture the 2020/21 revised budget		MFMA sec 28	Chief Financial Officer	November – December 2020
<b>Municipal Entities to submit Schedule E (Adjustments Budget)</b>	The CEO's of municipal entities to submit NT Schedule E to Group Financial Services Department.	MFMA Regulations and Circulars		CEO's of Municipal Entities	December 2020  Submission date to be communicated through a budget circular
<b>Stakeholder engagements</b>	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> <li>• Engagement with various stakeholder groups including the Youth</li> </ul>	MSA sec 16 &17  IGR Act, (Act No. 13 of 2005)		Office of the Executive Mayor,  Office of the Speaker,  Office of the City Manager, and City Strategy and Organisational Performance Management	September to October 2020
<b>Departmental Strategic Planning Sessions</b>	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 CaPs		Internal Process	All departments	November 2020



<b>Submission of draft capital project list and expenditure projections</b>	Prioritised Capital budget to be submitted to Budget Office (mSCOA Format).	MFMA sec 16 MFMA sec 19	Economic Development and Spatial Planning Department	December 2020 – January 2021
<b>Municipal Entities to submit National Treasury (NT) Schedule D (original budget)</b>	The CEO's of municipal entities to submit NT Schedule D to Group Financial Services including mSCOA aligned budget items (Capex and Opex)	MFMA Regulations and Circulars	CEO's of Municipal Entities	January 2021  Submission date to be communicated through Budget Office Circulars
<b>2020/21 SDBIP adjustment</b>	Issue SDBIP adjustment communication based on possible adjustment to budget	Internal process	CSOP	December 2020
<b>1st Draft departmental IDP &amp; SDBIP scorecards submitted</b>	All departments and MOE's to submit 1st draft departmental IDP & SDBIP scorecards in line with guidelines provided to CSOP	Internal process	All Departments and MOE's	January 2021
<b>Departments capture and submit operating budget proposals and business case for new projects/programmes</b>	Departments to capture and submit their budget proposals and confirm mSCOA alignment	MFMA sec 16	Chief Financial Officer	January 2021
<b>Modeling of the Long Term Financial Plan (LTFM)</b>	The LTFM will ensure medium to long term sustainability	Internal process	Chief Financial Officer	January 2021 (to inform 2021/22 Budget)
<b>2020/21 Mid-Year Review report</b>	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	Executive Mayor by 25 January 2021 Council for approval January 2021
<b>Consolidate Adjustments Budget inputs including Human Resources (PCP)</b>	Consolidate Adjustments Budget inputs including Human Resources (PCP)	Internal Process	Chief Financial Officer	January 2021
<b>Preparation of Adjustments Budget report and annexures</b>	The report and document is prepared in accordance with National Treasury regulations	MFMA s28 and s29	Chief Financial Officer	January 2021
<b>Submission of report for consideration and approval</b>	Report is submitted to the ExCo, Mayoral Committee and Council for approval	MFMA s28 and s29	Chief Financial Officer	February 2021
<b>National Treasury Mid-year Budget and CEF/CIF Review and Performance Assessment Visit</b>	National Treasury's engagement with the City of Tshwane	IGR process	Executive Mayor  City Manager  Chief Financial Officer  Chief Operations Officer Group Heads	January - March 2021

<b>2020/21 Adjustment to the SDBIP based on the Mid – year Budget and Performance Review</b>	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	MFMA s54 (1)c	CSOP  Council	February 2021
<b>Budget Steering committee Hearings</b>	The Budget Steering Committee to conduct an assessment of the 2020/21 submitted targets against: <ul style="list-style-type: none"> <li>The identified priorities for the City as per Mayoral Strategic Planning resolutions;</li> <li>Budget implications for the submitted plans (including motivations for CAPEX and OPEX projects not catered for by CIF/CEF; and</li> <li>Draft Capital Investment Framework (CIF)/Capital Expenditure Framework (CEF).</li> </ul>	MFMA s52 (c) and Municipal Reporting Regulations 4(1) s53	Budget Steering Committee supported by CSOP, Economic Development and Spatial Planning and CFO	February 2021
<b>Mayoral Budget Planning session</b>	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.	MFMA s52 (c )	Office of the Executive Mayor	February 2021
<b>Consultation with Mayoral Committee</b>	Presentation of the draft annual budget, draft IDP and first draft SDBIP (inclusive of Entities) for 2021/22	Internal Process	City Manager, CSOPM, Economic Development and Spatial Planning and CFO	March 2021
<b>Tabling of the draft IDP, budget (MTREF) and CIF/CEF</b>	Tabling of draft annual budget for 2021/22 for noting by Council and draft CIF/CEF for 2021/22 for noting by MayCo	MFMA Sections 16 & 17	CSOPM, CFO and ED & SP  MayCo	End March 2021
<b>Submission of Draft CIF/CEF 2020/21</b>	Submit Draft CIF/CEF 2021/22 based on the capex submissions from departments (The	DORA 20/21 SPLUMA/MSA	Council Economic Development and Spatial Planning	End March 2021

	indicatives as included in the 2020/21 DoRA will be used for the purpose of planning. When the 2021/22 DoRA is issued, all grants (opex and capex) will be updated)			
<b>Publication of draft IDP &amp; Budget and consultations with communities and stakeholders</b>	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 2021
<b>1st Draft 2021/22 Business Plan</b>	Departments to submit the draft 2020/21 Business Plan which contains the draft IDP and SDBIP scorecard	Internal Process	All departments and Entities	End April 2021
<b>National Treasury Municipal Budget and Benchmark exercise</b>	Engagement and Benchmark Exercise on the tabled draft IDP and MTREF by National Treasury	IGR process	National Treasury	April - May 2021
	2021/22 CIF/CEF Review IDP and Budget Review presentations by all departments to NT			
<b>Refinement and finalisation of the annual budget, IDP and Corporate SDBIP</b>	Based on comments received from communities and stakeholders, finalise the 2021/22 IDP and 2021/22 budget; CIF/CEF Review process (city's spatial priority programmes in line with PESTLE analysis for Tshwane Development Strategy 2030, grant alignment & intergovernmental budget alignment	Internal Process	CSOP; Finance department; Economic Development and Spatial Planning department Top Management and Mayoral Committee	April and May 2021
<b>Approval of the Budget, IDP, CIF/CEF for 2021/22 inclusive of Municipal Owned Entities</b>	Final approval by Council of the IDP, Budget and CIF/CEF 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 2021
<b>Submission of CIF/CEF 2021/22</b>	Submit CIF/CEF 2021/22	SPLUMA MSA	Economic Development and Spatial Planning	End of May 2021

<b>Approval of the 2021/22 SDBIP</b>	Final approval of the SDBIP by the Executive Mayor.	MFMA Sections 69 (3)a	Executive Mayor	June 2021
<b>Approval of 2021/22 Departmental Business Plans</b>	Consolidated departmental plans including required resources to be approved, this include those of Entities	Internal Process	Mayoral Committee	July 2021

## 5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

### 5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

The purpose of the report is obtain to approval for the 2021/22 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 should be noted 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 the operational costs indicated above 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 HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of the report is to obtain approval for the 2021/22 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).

In terms of section 11(3) (a) and (b) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), illustrate that a municipality exercises its legislative and executive authority by developing and adopting policies, plans, strategies and programmes, including setting targets for delivery; and promoting and undertaking development.

Section 34 of the Municipal Systems Act states that a municipal council must review its integrated development plan annually in accordance with the assessment of its performance measurements in terms of section 41; and to the extent that changing circumstances so demand.

Hence section 15 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) requires the municipality to incur expenditures in terms of the approved budget.

The Group Legal Services and Secretariat Department advice that the report is in compliance with the legislative requirements, wherefore the contents and the recommendations of the report are supported.

## 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 prioritizing, mobilizing, 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 2020/21 will further guide the City's budget formulation. In developing this process plan for 2021/22, 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

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	The IDP review and budget compilation and/ or review delayed. Possibility of a qualification due to not meeting legislative timelines.	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
Scope changes	Medium	Timelines extended Impact on the quality of the documents produced	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.	City Manager
					Executive Mayor/ Lead Administrator
					GH: City Strategy and Organisational Performance Management department
					Group CFO
					City Manager
					Executive Mayor/ Lead Administrator

The process plan guides the overall planning for the year, this is a road map with critical milestones that should be met by all stakeholders to ensure we achieve the ultimate goal of reviewing the IDP.

**RESOLVED:**

1. That the 2021/22 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 recommended for Council approval; and
2. That the approved Integrated Development Plan (IDP) review and Budget preparation Process Plan be submitted to the Gauteng Member of the Executive Committee (MEC) of Local Government as well as to National and Provincial Treasuries as per legislation.

