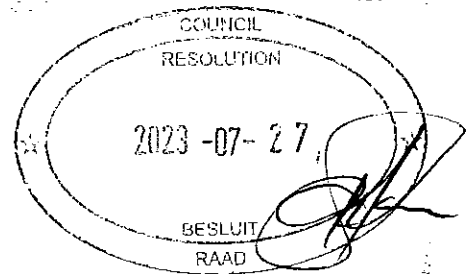


Reference no. 25186/1
Isaiah Engelbrecht (4209)
COUNCIL: 27 July 2023



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12. CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT
APPROVAL OF THE 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP) AND
MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)
PROCESS PLAN
(From the Mayoral Committee: 19 July 2023)

1. PURPOSE

The purpose of the report is to obtain approval for the 2024/25 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 PRIORITIES

Provide a professional public service that drives accountability and transparency.

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; and*
- (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:

“Section 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 2023/24 IDP review on 31 May 2023 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 considers 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 Council adopted the 2023/24 IDP on 31 May 2023.

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 measurements; and*
 - To the extent that changing circumstances so demand;”*

4. DISCUSSION

The planning and budgeting cycle of the city takes a phased approach to ensure systematic planning and budgeting and to ensure that it meets the legislative requirements. In the 2024/25 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.</p> <p>The process will also include stakeholder participation aimed at ensuring that participation from various stakeholders is received to inform the review of the IDP and the preparation of the budget for 2024/25 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 2024/25 financial year. This will guide the development of implementation plans (September-December)	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 3a: Consolidation and tabling of the mid-year performance assessment and Budget Adjustment (January to February 2024)	During this phase the performance for the first six months of the financial year is assessed and reviewed. The 2023/24 annual budget adjustment proposals are considered in February 2024 for the remaining period of the financial year. This could also result in the adjustment to the 2023/24 SDBIP in accordance with the reviewed performance and adjusted budget. These processes also serve as the basis for planning for 2024/25 financial year.
Phase 3b: Development and tabling of Draft Plans for 2024/25 IDP and Budget to Council (January-March 2024)	This phase will ensure that the draft legislated and non-legislated plans for the 2024/25 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 2024/25 draft reviewed IDP and 2024/25 MTREF will be tabled to Council
Phase 4: Commenting on the Draft IDP and Budget (April 2024)	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 2024/25 revised IDP and 2024/25 MTREF and Approval by Council (May 2024)	Following all the above processes, the final IDP for 2024/25 and 2024/25 MTREF and 2024/25 Capital Expenditure Framework (CEF) is consolidated and submitted to Council for approval.

Detail of each Phase

Phase 1: Setting the strategic planning agenda and initiate engagements with stakeholders and internal departments (August to December 2023). Issues raised by communities during the April-May 2023 public participation process must be taken into consideration when planning for the new financial year. The Departments will be encouraged to focus on these issues when preparing their departmental business plans and identifying projects that needs to be implemented in the coming financial year.

The first phase of the IDP process will be based on the set priorities for the term. The City has adopted ten key priorities:

1. Prioritise the electrical grid and water infrastructure;
2. Provide stringent financial management and oversight;
3. Be a business-friendly City that promotes employment and economic growth;
4. Enhance City safety, security and emergency services;
5. Maintain a clean and protected natural environment;
6. Maintain and expand road infrastructure and public transportation;
7. Be a caring City that supports the vulnerable and provides social relief;
8. Modernise and digitise City processes;
9. Provide a professional public service that drives accountability and transparency;
10. Create a healthy and vibrant City; and

The following activities need to be undertaken:

- The City Manager to convene a strategic development engagement aimed at ensuring that the strategic agenda for the term is developed, and that it guides the development of the 2024/25 IDP, MTREF and CEF;
- The needs of the community and the issues that were raised during the IDP consultation period must be taken into consideration when planning projects and budgeting for the new financial year;
- Stakeholder engagement sessions to source inputs for evaluation and consideration;
- Continuous engagement 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.

Phase 2: Development of programme and project specific deliverables to be included in the IDP review and budget for the 2024/25 financial year (November-December 2023).

Based on the City's ten priorities 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 CEF. Projects that they highlight must be captured on CAPS;
- Budget Office issue 2024/25 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 City's priorities towards the development of draft plans for 2024/25 financial year. This will include:
 - Identifying strategic departmental programmes;
 - Prioritization of community needs;
 - Project Identification and verification;
 - Developmental interventions; and
 - Review of Performance.
- This will result in the development of draft capex projects, confirmation of priorities in the draft CEF and inform the draft SDBIP targets for the 2024/25 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 2024).

This phase will ensure that performance for the first six months of the 2023/24 financial year is assessed and reviewed; and the 2023/24 budget is adjusted where applicable for the remaining period of the financial year. This will also result in the adjustment to the SDBIP in accordance with the reported 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 2023/24 adjustment budget inputs from departments;
- Submission of 2023/24 Mid-Year performance review and budget adjustment report for consideration and approval;
- Initiate collation of proposed adjustments to the 2023/24 SDBIP and consultations with all internal stakeholders and subsequent approval by Council; and
- The approved 2023/24 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 2024/25 IDP and Budget to Council (January-March 2024).

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

- Convening of the Technical Budget Steering Committee (TBSC) to assess the departmental submission on the proposed plans and budgets for 2024/25. 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 2024/25 budget;
- Following the TBSC, a Mayoral Budget Steering Committee session need to be convened by the Executive Mayor in February to March 2024, to engage with

recommendations of the Technical Budget Steering Committee and to confirm final strategic focus areas and budget proposals for 2024/25 financial year;

- Engagement of provincial and national departments on their final plans and programmes for implementation in the city for the 2023/24 financial year to ensure that these are part of the integrated development plans of the City;
- Initiate the development of a draft 2024/25 reviewed IDP and 2024/25 MTREF; and
- The revised 2024/25 draft IDP including draft 2024/25 MTREF 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 2024/25 Budget (April 2024)

Following the tabling of the draft plans to Council in March 2024, 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 as required by the relevant legislation;
- Engagement with National Treasury on the Draft reviewed IDP, MTREF and CEF (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 2024/25 revised IDP and 2024/25 MTREF, CEF and Approval by Council (April -June 2024):

- Based on comments received in phase 4, the revised IDP, MTREF and CEF will be finalised and considered by MayCo;
- The Executive Mayor presents the Budget Speech and subsequently the revised IDP, MTREF, CEF and multi-year business plans of Municipal Entities are tabled at Council for approval in May 2024;
- Finalization of the Service Delivery and Budget Implementation Plan for 2024/25;
- City Manager to submit draft 2024/25 Service Delivery and Budget Implementation Plan to the Executive Mayor for consideration 14 days after the approval of the budget;
- Executive Mayor approves the 2024/25 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 2024/25 IDP and Budget Process Plan for approval	The IDP and Budget Process Plan which outlines the key deadlines for the second review of the 2022/26 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	July 2023
Departmental training for capturing of project on CaPS	Economic Development and Spatial Planning to engage with departments and popularise the CEF to guide departments when capturing project lists.	Internal Process	Economic Development and Spatial Planning, CSOP and COO	August/ September 2023
Popularising Capital Expenditure Framework (CEF) to facilitate capturing of projects by departments	Economic Development and Spatial Planning to engage with departments and popularise the CEF to guide departments when capturing project lists. A technical working group (TWG) meeting will be held before end of Quarter 1.	Internal Process	Economic Development and Spatial Planning, CSOP and COO	August 2023 (Initiating process for departments how to approach capturing) to January 2024
Publication of the 2024/25 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 & Communication, Marketing and Events	1st week of August 2023
City Manager and Top management Strategic planning	Develop the Strategic Plan and formulating short to medium intervention for inclusion in the IDP review and budget proposals for 2024/25. Discussions on 2024/25 IDP & Budget strategic focus areas Adoption of Prioritisation Model for 2024 /25 MTRF	Internal process	Office of the City Manager and Top Management	September to October 2023

Strategic Agenda setting – Executive Mayor Strategic Planning session	<p>The Mayoral strategic planning session to focus on the following:</p> <p>Presentation and agreement on final proposals for Tshwane priorities</p> <p>Proposals for required changes/ amendments to the IDP to be aligned to the long-term strategy.</p> <p>Evaluation on progress made during the quarter of the year.</p> <p>Setting and confirming priorities/ directives/ budget principles and strategic guidelines for 2024/25 MTREF and IDP</p>	MFMA Section 52 (c)	Office of the Executive Mayor and Office of the City Manager	September – November 2023
Stakeholder engagements	<p>Priority setting process with key stakeholders:</p> <p>Engagement with Traditional Authorities</p> <p>Engagement with business sector</p> <p>Engagement with NGO's and CBO's</p> <p>Engagement with various stakeholder groups including the Youth</p> <p>Engagement with Provincial and National Sector Departments</p>	<p>MSA sec 16 & 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 Department</p> <p>All departments</p>	September - October 2023
Stakeholder engagements	<p>Priority setting process with key stakeholders:</p> <p>Engagement with Traditional Authorities</p> <p>Engagement with business sector</p> <p>Engagement with NGO's and CBO's</p> <p>Engagement with various stakeholder groups including the Youth</p> <p>Engagement with Provincial and National Sector Departments</p>	<p>MSA sec 16 & 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 Department</p> <p>All departments</p>	September – October 2023

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 and Chief Financial Officer	October 2023
Departmental Strategic Planning Sessions	Departments engage in strategic planning sessions with the focus on the following: Implementation of the Mayoral Strategic Planning and City Manager Top Management strategic planning session 's resolutions Prioritise projects to be captured on CaPs	Internal Process	All departments	October - November 2023
Issue budget indicatives	Issue indicative Capex allocations	Internal process	Chief Financial Officer	November 2023
Issue adjustment budget guidelines	2023/24 Adjustment budget guidelines will be communicated through a budget circular.	MFMA sec 28	Chief Financial Officer	November 2023
2023/24 SDBIP adjustment	Issue SDBIP adjustment communication based on possible adjustment to budget	Internal process	City Strategy and Organisational Performance	November - December 2023
Capturing and submission of 2023/24 adjustment budget by departments	Departments to capture projects for the 2023/24 revised budget.	MFMA sec 28	Chief Financial Officer All departments	November - December 2023
Municipal Entities to submit Schedule E (Adjustments Budget)	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 2023 Submission date to be communicated through a budget circular
Issue budget guidelines	2024/25 MTREF budget guidelines and principles will be communicated through a budget circular.	MFMA sec 28	Chief Financial Officer	December 2023
Issue tariff guidelines	2024/25 MTREF tariff guidelines will be communicated through a budget circular	Internal process (informed by NT MTREF budget circular)	Chief Financial Officer	December 2023

Modelling of the Long-Term Financial Plan (LTFM)	The LTFM will ensure medium to long term sustainability.	Internal process	Chief Financial Officer	December 2023
Submission of draft capital project list and expenditure projections	Prioritised Capital budget to be submitted to Budget Office (mSCOA Format).	MFMA sec 16 MFMA sec 19	Economic Development and Spatial Planning Departmental	December 2023 – January 2024
Municipal Entities to submit National Treasury (NT) Schedule D (original budget)	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 2024 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 to CSOP	Internal process	All Departments and MOE's	January 2024
Departments capture and submit operating budget proposals and business case for new projects/ programs	Departments to capture and submit their budget proposals and confirm mSCOA alignment.	MFMA sec 16	Chief Financial Officer	January 2024
Modelling of the Long-Term Financial Plan (LTFM)	The LTFM will ensure medium to long term sustainability	Internal process	Chief Financial Officer	January 2024 (to inform 2024/25 Budget)
2023/24 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	Executive Mayor by 25 January 2024 Council for approval January 2024
Consolidate Adjustments Budget inputs including Human Resources (PCP)	Consolidate Adjustments Budget inputs including Human Resources (PCP)	Internal Process	Chief Financial Officer	January 2024
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 2024
Submission of report for consideration and approval	Report is submitted to EXCO, Mayoral Committee and Council for approval	MFMA s28 and s29	Chief Financial Officer	February 2024

National Treasury Mid-year Budget/ CEF Review and Performance Assessment Visit	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 2024
Adjustment to the 2023/24 SDBIP based on the Mid – year Budget and Performance Review	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 2024
Technical Budget Steering Committee Hearings	The Technical Budget Steering Committee to conduct an assessment of the 2024/25 submitted targets against: The identified priorities for the City as per Mayoral Strategic Planning resolutions; Budget implications for the submitted plans (including motivations for CAPEX and OPEX projects not catered for by CIF; and Capital Expenditure Framework (CEF).	MFMA s52 (c) and Municipal Reporting Regulations 4(1) s53	Technical Budget Steering Committee supported by CSOP, Economic Development and Spatial Planning and GFS	January - February 2024
Mayoral Budget Planning session	The focus of the Budget planning session is to: Confirm the capex priorities and make recommendation Confirm MTREF areas of emphasis to allow for alignment the IDP high level summary.	MFMA s52 (c)	Office of the Executive Mayor City Manager All departments	February - March 2024
Consultation with Mayoral Committee	Presentation of the draft annual budget, draft IDP and first draft SDBIP (inclusive of Entities) for 2024/25	Internal Process	City Manager, CSOP, Economic Development and Spatial Planning and CFO	March 2024

Tabling of the draft IDP, budget (MTREF) and CEF	Tabling of draft annual budget, draft IDP together with CEF for 2024/25 for noting by Council	MFMA Sections 16 & 17	Executive Mayor, City Manager, CSOP, CFO and ED & SP MayCo Council	End March 2024
Submission of Draft CEF 2024/25 to National Treasury	Submit Draft CEF 2024/25 (DoRA 2024/25 based on the capex submissions from departments (The indicatives as included in the 2023/24 DoRA will be used for the purpose of planning. When the 2024/25 DoRA is issued, all grants (opex and capex) will be updated)	DORA 2023/24	Economic Development and Spatial Planning	End March 2024
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 2024
1st Draft 2024/25 Business Plan	Departments to submit the draft 2024/25 Business Plan which contains the draft IDP and SDBIP scorecard	Internal Process	All departments and Entities	End April 2024
National Treasury Municipal Budget and Benchmark exercise	Engagement and Benchmark Exercise on the tabled draft IDP and MTREF by National Treasury 2024/25 CEF Review presentation to NT IDP and Budget Review presentations by all departments to NT	IGR process	National Treasury	April - May 2024

Refinement and finalisation of the annual budget, IDP and Corporate SDBIP	Based on comments received from communities and stakeholders, finalise the 2024/25 IDP and 2024/25 budget CEF Review process (city's spatial priority programmes in line with Tshwane long term plans, grant alignment & inter-governmental budget alignment)	Internal Process	CSOP; Finance department; Economic Development and Spatial Planning department Top Management and Mayoral Committee	April and May 2024
Approval of the Budget, IDP, CEF for 2024/25 inclusive of Municipal Owned Entities	Final approval by Council of the IDP, Budget and 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 2024
Submission of CEF 2024/25 to National Treasury	Submit CEF 2024/25 (DORA 2024/25) to National Treasury	DORA 2024/25	Economic Development and Spatial Planning	End of May 2024
Approval of the 2024/25 SDBIP	Final approval of the SDBIP by the Executive Mayor.	MFMA Sections 69 (3)a	Executive Mayor	June 2024
Approval of 2024/25 Departmental Business Plans	Consolidated departmental plans including required resources to be approved, this includes those of Entities	Internal Process	Mayoral Committee	July 2024

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the content of the report.

The purpose of this report is to obtain approval for the 2024/25 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

To obtain approval for the 2024/25 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).

Section 16(1) & (2) of the MFMA provides that the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. For a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

In addition, section 21(1)(a) of the MFMA stipulates that the mayor of a municipality must coordinate 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 25 of the MFMA requires each municipal council to, 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 Integrated Development Plan adopted by a municipal council in terms of subsection (1) may be amended in terms of section 34 and remain in force until an Integrated Development Plan is adopted by the next elected council.

In respect of Integrated Development Planning, section 23(1) of the Local Government: Municipal Systems Act 32 of 2000, states that a municipality must undertake developmentally oriented planning to ensure that it strives to achieve the objects of local government set out in section 152 of the Constitution. Gives effect to its developmental duties as required by section 153 of the Constitution; and together with other organs of state contribute to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution.

Section 28 of the MSA provides that each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan. The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process. A municipality must give notice to the local community of particulars of the process it intends to follow.

Section 34 of the MSA requires a municipal council to review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 4; and to the extent that changing circumstances so demand; and may amend its integrated development plan in accordance with a prescribed process.

The process to amend the Integrated Development Plan is outlined in regulation 3 of the Municipal Planning and Performance Management Regulations as issued on 24 August 2001 read with section 34 of the MSA. It provides that only a member or committee of a municipal council may introduce a proposal for amending the municipality's Integrated Development Plan in the council. Any proposal for amending a municipality's integrated development plan must be accompanied by a memorandum setting out the reasons for the proposal and aligned with the framework adopted in terms of section 27 of the Act.

Having regard to the above-mentioned legal prescripts and with specific reference to the context of the report, Group Legal and Secretariat Services Department support the approval of the report and its 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 resources 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 Capital Expenditure Framework (CEF) for grant application and alignment. The revised DORA framework provisions for 2023/24 will further guide the city's budget formulation.

In developing this Process plan for 2024/25, 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: CSOP Group CFO City Manager Executive Mayor
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.	GH: City Strategy and Organisational Performance Management department Group CFO City Manager Executive Mayor

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 goal of reviewing the IDP.

The Mayoral Committee on 19 July 2023 resolved to recommend to Council as set out below:

RESOLVED:

1. That the 2024/25 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.
2. That the approved IDP review and Budget preparation Process Plan be submitted to the Gauteng MEC of Local Government as well as to National and Provincial Treasuries as per legislation.

