



H. MATTERS NOT CONSIDERED BY COMMITTEES OF COUNCIL

1. Adoption of Process Plan for the 2020/21 IDP review, preparation of the budget for 2021/22 MTREF

(Acting IDP Manager, J van Niekerk)

14 July 2020

Purpose

To submit to Council the Process Plan for the 2020/21 IDP Review and the preparation of the Budget for 2021/22 MTREF.

Background

The Municipal System Act (Act 32 of 2000), Section 34, compels Municipal Councils to review its IDP:

- Annually in accordance with an assessment of its performance measurements,
- to the extent that changing circumstances so demand and
- may amend its IDP in accordance with a prescribed process.

The Municipal Finance Management Act (Act 56 of 2003), Section 53(1) (b) states that the mayor of a municipality must co-ordinate the annual review of the IDP in terms of section 34 of the Municipal Systems Act and the preparation of the Annual Budget, and determine how the Integrated Development Plan is to be taken into account or reviewed for the purposes of the budget. Section 53(1) (c) further states that the mayor of a municipality must take all reasonable steps to ensure that the municipality's Service Delivery and Budget Implementation Plan is approved within 28 days after the approval of the budget.

Section 1 of the MFMA defines the SDBIP as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

(a) projections for each month of-

- (i) revenue to be collected, by source; and
- (ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter”.

Section 28 (1) of the Municipal Systems Act further compels a Municipal Council to adopt “a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan” – the Process Plan (Annexure 1). The preparation process or drafting of the Process Plan is the responsibility of Municipal Management and needs to include the following issues according to Section 29(1) of the Act:

- Roles and responsibilities of the different role players in the IDP process have to be clarified in advance and internal human resources have to be allocated accordingly.
- Organizational arrangements have to be established and decisions on the membership of teams, committees or forums have to be made.
- A programme needs to be worked out which sets out the envisaged planning activities, a time frame and the resource requirements for the IDP process. Such a detailed programme



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- of the planning process is crucial to keep track of the process and to interact with the different role-players.
- Special attention has to be paid to the mechanisms and procedures for community and stakeholder participation during the planning process. This must also be in line with the provisions of Chapter 4 of the Municipal Systems Act, 2000.
 - Mechanisms and procedures for alignment with external stakeholders such as other municipalities, District Municipality and other spheres of government also need special attention. These alignment activities have to be decided on a mutual binding basis, through a joint Framework for the interactive planning process which requires preparation well in advance.
 - The identification of all binding plans and planning requirements binding on the Municipality in terms of national and provincial legislation.
 - A cost estimate for the whole planning process.

Annexures

2020/21 IDP Review and Budget Process Plan for 2021/22 MTREF

ANNEXURE
SEPARATE REPORT

Motivation

Since the promulgation of the Municipal Financial Management Act (Act 56 of 2003) it is vital to align the IDP Process (S28 of MSA) with the Performance Management Process (Municipal Planning and Performance Management Regulations (Ch3, 2(g)) and the Budgeting Process (S 21, 22 and 23 of MFMA). According to directives from the National Department of Provincial and Local Government, Council needs to adopt a draft Reviewed IDP and Budget by 31 March 2021. A final Budget needs to be adopted by 31 May 2021 and a reviewed IDP by June 2021.

The detail Action Plan (as part of the Process Plan – Annexure 1) highlights the mile stones that need to be reached according to the relevant legislation.

Personnel Implications

None other than as budgeted for.

Financial Implications

There are financial costs associated with the budget process such as costs of communication, public participation, media advertising and booking of halls and facilities. These are budgeted for under Council and General. An estimated amount of R500 000.00 will be sufficient to cover the costs.

Legal Authority and Implications

The Process Plan must be adopted by Council in terms of Section 28 of the Municipal Systems Act (Act 32 of 2000) and the Municipal Finance Management Act (Act 56 of 2003)

Consultation

All Directorates were consulted on the Process Plan which was noted by EMT during a Special Virtual meeting held on 18 August 2020.



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Contact Person

JR van Niekerk

Acting IDP Manager

Contact number: 053-830 6526

RECOMMENDATION:

1. That it be recommended to the Executive Mayor to submit the Process Plan for adoption by Council for the IDP Review, Budget and SDBIP Process as set out in the Annexure in accordance with Section 28 of the Municipal Systems Act (Act 32 of 2000) and the requirements promulgated in the Municipal Finance Management Act (Act 56 of 2003).
2. That the IDP, Budget and Performance Management Committee exercise oversight on the execution of the process plan and report regularly to Council accordingly.

C159/08/20 RESOLVED:

1 – 2 As recommended.
