

UMZIMVUBU LOCAL MUNICIPALITY



IDP AND BUDGET PROCESS PLAN (FOR 2013-2014 FINANCIAL YEAR)

2nd IDP REVIEW FOR PERIOD 2012 -2017

ADOPTED BY COUNCIL ON THE 31ST AUGUST 2013

1. INTRODUCTION

In terms of the Municipal Systems Act, 2000 Chapter 5 part 3, a municipal council must review its Integrated development plan annually in accordance with its performance measurements in Section 41 and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process. This involves an assessment of the Municipality's implementation performance and the achievement of its targets and strategic objectives.

The IDP is reviewed to reflect the impact of successes as well as corrective measures to address problem. The IDP has to be reviewed annually in order to ensure its relevance as the Municipality's Strategic Plan, to inform other components of the Municipal business process including institutional and financial planning and budgeting and to inform the cyclical inter-governmental planning and budgeting cycle. As a preparatory stage a local Municipality is required to prepare a process plan. In formulation of local Municipality needs to consider that in terms of the MSA of 2000, section 84 one of its functions includes integrated development planning for the local municipality as a whole including a framework for integrated development plans . In the review process changes to the IDP process and content may be required from three main sources:

- Comments from the MEC
- Amendments in response to changing circumstances and
- Improving the IDP process and content

While there are many areas that require "tightening up" in Umzimvubu Municipal IDP, there are a number of areas where particular areas where particular attention is required:

- Institutional issues
- Sector plan and associated spatial frame work
- IDP budget link and
- Updated list of projects
- Issues relating to Environmental Changes and Challenges

In accordance with a philosophy behind the Municipal structures act, 1998, section 84 (i) that states A local Municipality has the following functions and powers:-

- (a) Integrated Development Planning for its area of jurisdiction.

The Municipal Finance Management Act 56 of 2003 section 21 (1)(a) provides that the Mayor of the 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 ten months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for :-
 - (ii) (aa) the annual review of the Integrated Development Plan in terms of section 34 of the Municipal Systems Act 32 of 2000.

The Municipal Systems Act 32 of 2000 section 34 provides that a Municipal Council:-

- (a) Must review its Integrated Development Plan
 - (i) Annually in accordance with an assessment of its performance measurements in terms of section 41 and
 - (ii) To the extent that changing circumstances so demand; and
 - (iii) May amend integrated development plan in accordance with a prescribed process.

Section 27 (1) of the Municipal Systems Act, further states that, each district municipality, within a prescribed period after the start of its elected term and after a consultative process with local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole".

Objectives

- To draw up a review process plan that would engender inclusivity and transparency;
- To encourage participation by all stakeholders and communities;
- To solicit and determine priorities of the Municipality; and
- To enhance service delivery and development.

2. ORGANISATIONAL ARRANGEMENTS

(a) Role players

The following role players will be involved in the IDP review process:

- Council
- Mayor
- Executive Committee
- Municipal Manager
- IDP Steering Committee
- IDP Technical Steering Committee
- Ward Councilors and ward committees
- Community Development Workers
- IDP Representative Forum (residents, communities and other stakeholders)
- ANDM
- Provincial Government Departments in terms of their sector programmes

(b) Roles and Responsibilities

(i) Council

The Council will consider and adopt the process plan.
The Council will consider and adopt the final IDP and Budget.

(ii) The Mayor

The Honorable Mayor must ensure that the IDP is reviewed annually.
Chairs the IDP Representative Forum
Chairs the IDP Steering Committee

(iii) Executive Committee

The Council of Umzimvubu Municipality through the Mayor and his/her Executive Committee is legally responsible for managing and formulating the Municipality's IDP. In terms of Section 30(b) of the Systems Act, 2000 this responsibility can be delegated to the Municipal Manager.

2.1 Municipal Manager

The Municipal Manager has delegated the function of the IDP development, review and implementation to the Assistant Director IDP, IGR and Municipal Performance under the Municipal Manager's Office; therefore the division of IDP, IGR and Municipal Performance will co-ordinate the IDP review process for 2011/2012.

The terms of reference include:

- Preparing the process plan
- Undertaking the overall management and co-ordination of the planning process ensuring:
 - ❖ Participation and involvement of all different role players
 - ❖ That time frames are adhered to
 - ❖ That the planning process is aligned to the Provincial Growth and Development Strategy
 - ❖ Conditions for community participation provided
 - ❖ That the results of the planning and IDP review process are documented.
- Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the municipal Council
- Accommodates and consider IDP comments and proposals from the office of the MEC for Housing, Local Government and Traditional Affairs

2.2 IDP Steering Committee

The IDP Steering Committee will assist the Honorable Mayor in guiding the review process. It comprises of the following members:

- ❖ Honorable Mayor
- ❖ Selected relevant Executive Committee Portfolio Heads
- ❖ Municipal Manager
- ❖ Assistant Manager IDP, IGR and Municipal Performance
- ❖ Budget and Treasury Office Manager
- ❖ CFO
- ❖ Corporate Services Manager
- ❖ Citizens and Community Services Manager
- ❖ Infrastructure Planning and Development Manager
- ❖ Chief Operating Officer
- ❖ Local Economic Development Manager

Terms of reference

The terms of reference for the IDP Steering Committee shall be the following:

- ❖ To draw terms of reference for the various planning activities
- ❖ Establish sub-committees
- ❖ Commission research studies
- ❖ Consider and comment on:
 - Inputs from sub-committees, study teams and consultants
 - Inputs from provincial sector departments and support providers
- ❖ Processes, summarize and document inputs
- ❖ Make content recommendations
- ❖ Define the terms of reference for the IDP Representative Forum
- ❖ Inform the public about the establishment of the IDP Representative Forum
- ❖ Identify stakeholders to be part of the Forum in such a way that the public is well represented
- ❖ Providing relevant technical, sector and financial information for analysis and for determining priority issues
- ❖ Contributing technical expertise in the consideration of financial strategies and identification of projects
- ❖ Providing operational and capital budget information
- ❖ The IDP Steering Committee is chaired by the Honorable Mayor or his/her delegate. The secretariat for this committee will be Corporate Services Department.
- ❖ The IDP Steering Committee may delegate some or all its responsibility to the IDP Technical Steering Committee.

2.3 IDP Representative Forum

The IDP Representative Forum of Umzimvubu Municipality is the organizational mechanism for discussions, negotiations and decision-making between stakeholders within our municipal area. It is envisaged that the following organizations and/or stakeholders may be involved:

- ❖ Councilors
- ❖ Ward Committees
- ❖ Community Development Workers
- ❖ Inter Governmental Forum
- ❖ Traditional Leaders
- ❖ Ministers Fraternal

- ❖ Stakeholder Representatives of Organized Groups
- ❖ Advocates of Unorganized Groups
- ❖ Community Representatives
- ❖ Resource Persons
- ❖ Traditional Leaders

Terms of Reference

The terms of reference for the IDP Representative Forum shall be as follows:

- ❖ Represent the interests of their constituents in the IDP process
- ❖ Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government
- ❖ Ensure communication between all stakeholders including municipal government
- ❖ Monitor the performance of the planning and implementation process.
- ❖ Provide a platform for engagement, input and feedback to stakeholders on the IDP and PMS.

The IDP Representative Forum is chaired by the Mayor or duly delegated Councilor.

The Secretariat for the IDP Representative Forum shall be an official from the Corporate Services Department of the Municipality duly appointed or delegated such function by the Manager Corporate Services.

Code of Conduct

The IDP Representative Forum needs to have a code of conduct which will regulate such issues as:

- ❖ Meeting schedule (frequency and attendance) based on phases of the IDP
- ❖ Agenda, facilitation and documentation of meetings
- ❖ Understanding by members of their role as representatives of their constituencies
- ❖ Feedback to their constituencies
- ❖ Resolution of disputes
- ❖ Conditions of attendance of meetings

2.4 IDP Technical Steering Committee

Our IDP Technical Steering Committee will do the ground work and feeds the information into the IDP Steering Committee, it will involve:

- ❖ Municipal Manager
- ❖ HOD's
- ❖ MANCO members,
- ❖ Relevant officials

Terms of reference

The Terms of reference for this committee shall be as follows:

- ❖ Collect and collate information for IDP Steering Committee
- ❖ Conduct research and
- ❖ Advises the IDP Steering Committee

2.4.1 IDP Technical Steering Committee Focus Areas

The IDP Technical Steering Committee shall focus on the following KPA:

| KPA | PRIORITY ISSUES |
|---|---|
| Municipal Transformation and Institutional Development | <ul style="list-style-type: none"> • Municipal Administration • Human Resources • Research • Legal Services • Information & Communication Technology • Finance |
| Socio-Economic Development | <ul style="list-style-type: none"> • Agriculture • Manufacturing • Tourism • SMME Development • Forestry • Municipal/Environmental health • HIV/ AIDS • Disaster Management and Fire Fighting • Primary Health Care • Environmental Services • Waste Management • Law Enforcement • Community Safety |
| Infrastructure Development and Service Delivery | <ul style="list-style-type: none"> • Water and Sanitation • Roads • Telecommunication and electricity • Land and Housing • Public Transport • Community Facilities • Building Control |
| Good governance and Public Participation | <ul style="list-style-type: none"> • Intergovernmental Relations • Communications • IDP Co-ordination • Performance Management System • Public Participation • Special Programmes |

2.5 Mechanism And Procedures For Public Participation

Umzimvubu Local Municipality comprises a large geographical area with many people. This situation requires that public participation be structured.

The structure for public participation in as far as the IDP process is concerned is the IDP Representative Forum. In order to ensure that there is representation of the various

organized and unorganized groups within our municipal area. The following approach shall be used:

- Placing adverts in our local newspaper(s), Daily Dispatch, in English and isiXhosa which people and organizations to be part of the Representative Forum
- In order to reach those parts of our community that do not read newspapers, the information of the Representative Forum will be announced through radio stations such as Alfred Nzo Community Radio Station and Umhlobo Wenene
- Making use of other methods such as flyers, ward councilors, ward committees and community development workers, announcements through church gatherings and community based organizations, posters etc.
- Making an effort to reach unorganized groups and marginalized groups to ensure that their voices are heard. We will do this by approaching non-governmental organizations that represent the need of such groups.
- Our Local Communicators Forum will be utilized as another platform to mobilize for these meetings.

The IDP Representative Forum will meet throughout the IDP process with most meetings being held in the first, second and third phases of the review. The frequency of meetings will be highlighted in the “Action Programme” section.

It is envisaged that all meetings will be held at Umzimvubu Local Municipality, or alternatively, determined as and when need arises.

In order for members of the IDP Representative Forum to report to their constituencies, three weeks after each meeting will be allowed to make responses and comment on what is presented at the meeting, that is, should what is discussed at the meeting require a feedback.

Inputs to the IDP Representative Forum will be in the form of documentation, presentations and other forms deemed acceptable.

3. MECHANISMS AND PROCEDURES FOR ALIGNMENT

Alignment Phases

| Phase | Structures Involved | Activity |
|--------------------|---|---|
| <i>Analysis</i> | Category B's and the District Municipality | <ul style="list-style-type: none"> • Re-defining priority issues • Incorporating aspects of sector information (assessing plans from relevant sectors) • Agree on parallel process |
| <i>Strategies</i> | Category B's and the District Municipality | <ul style="list-style-type: none"> • Vision, goals and objectives • Aligning strategies to the ISRDS, Social Plan etc. |
| <i>Projects</i> | Relevant Government Departments, Sector Specialists, Project Task Teams – Category B's and District | <ul style="list-style-type: none"> • Technical inputs by relevant sectors and governments • Relevant sector plans in order to align with project proposals accordingly • Business plans Project proposals with budgets • Alignment of projects and plans with government department plans and budget |
| <i>Integration</i> | Category B's, District Municipality and Government departments – Technical Specialists | <ul style="list-style-type: none"> • Screening of project proposals and making the necessary adjustments • Developing integrated programmes |
| <i>Approval</i> | Category B's, District Municipality | Final comments and adjustments and approval by the Council. |

4. MONITORING AND AMENDING

It is critical that the monitoring and review mechanisms be catered for in the planning process. The following with regards to monitoring and amendment of the Process Plan is recommended:

- That the Municipal Manager and IDP manager coordinate and monitor the whole process;
- Progress to be reported to the Municipal Manager and any deviations from the municipality's process plan be highlighted;
- The Mayor be mandated by Council to make amendments to the process plan should these be required.

5. ACTION PROGRAMME

In line with the district framework plan and process, the action plan will begin with the drafting and adoption of this process plan by the end of August 2012. Our action plan, programme and the overall process plan will be aligned with the budget process plan. The action programme will be developed in consultation with the Steering Committee and will be reviewed from time to time when necessary.

5.1 IDP Review Process Plan 2014/2015

| ACTIVITY | DATE |
|---|---------------------------------|
| July 2013 | |
| Compilation of Draft IDP Review Process Plan | 31 st July 2013 |
| Alignment with the District Municipality | |
| Draft IDP review process plan submitted to MANCO for comment | |
| August 2013 | |
| Meeting with ANDM for alignment of IDP and Budget process plan | 31 st August 2013 |
| Finalizing of IDP process plan by integrating time schedules in the IDP process plan | |
| IDP Steering Committee and IGR/Rural Development meeting | |
| Draft IDP Process Plan presentation to EXCO | |
| Council consider the adoption of the IDP Review process plan for 2014/2015 | |
| September 2013 | |
| Submission of IDP Review Process Plan to ANDM, AG, NT and DPLGTA | 10 th September 2013 |
| Advertise IDP Review Process Plan | |
| October and November 2013 | |
| IDP and Budget Steering Committee and Rural Development Meeting | 29 th November 2013 |
| IDP Technical Steering Committee meeting to deal with Objectives and Strategies, Key Performance Indicators and Targets, Programmes and Projects linked to Budget (Capital and Operating) | |
| Situational analysis discussions and Data collection | |
| December 2013 | |
| IDP & Budget Steering Committee and Rural Development Programme | 07 December 2013 |
| January 2014 | |
| Strategic Planning Session for IDP and Budget Steering Committee to present updated situational analysis. | 25 th January 2014 |
| Presentation of the Draft Annual Report for noting. | |
| Mayor tables MFMA s72 report to justify necessity for municipal adjustments budget, resolutions, SDBIP Review, and proposed revisions to IDP. | |
| February 2014 | |
| IDP and Budget Steering Committee to align IDP with Budget and produce Draft IDP and Budget And Rural Development Programme | |
| IDP Rep Forum to review progress on IDP implementation for 2013/14 | |

| ACTIVITY | DATE |
|---|--------------------------------|
| IDP Steering Committee, drafting of IDP inputs from Sector Plans, IDP operational and financial plans | 26 th February 2014 |
| Presentation of draft reviewed IDP to the Standing Committee and Rural Development Programme | |
| March 2014 | |
| Presentation of the Oversight Committee Report on the Annual Report | 29 th March 2014 |
| Presentation of draft reviewed IDP to the Executive Committee | |
| Adoption of Draft IDP by Council | |
| April 2014 | |
| Submission of Draft IDP document to MEC for comments after the adoption | 10 th April 2014 |
| IDP advertised for public comments, public meetings and consultation and Outreach Programme | |
| IDP Steering Committee and Rural Development Programme | 30 th April 2014 |
| IDP Outreach Programme | |
| May 2014 | |
| Final draft Reviewed IDP presented to IDP and Budget Steering Committee | 31 st May 2014 |
| IDP Rep Forum | |
| Final draft presentation to Executive Committee | |
| Final Draft presented to Council for final adoption | |
| June 2014 | |
| Strategic Planning session to produce the final SDBIP | 29 th June 2014 |
| IDP, Budget and SDBIP submitted to National , Provincial Treasury and ANDM | |
| IDP, MTREF Budget, Budget related policies, annual report, performance agreements, service delivery agreements, Long Term Borrowing contracts published on Council website. | |

5.2 Budget Process Plan for 2013/2014

| Month | Municipality Activity | Objective | Accountability | Target Date |
|----------------|---|---|---|---------------------------------|
| July 2013 | Budget implementation | Budget implementation | AO, CFO & HOD's | 1st July 2013 |
| August 2013 | <p>Mayor begins planning for next three-year budget in accordance IDP</p> <p>Mayor tables in Council the schedule of budget key deadlines setting the time table for: preparing, tabling and approving the budget; developing IDP (as per s 34 of MSA) and budget related policies and consultation processes.</p> <p>MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <p>Council establishes IDP and budget committees for the process</p> <p>Municipality submits AFS for 2011/12 financial year for audit to the OAG.</p> | <p>To review of the previous years' budget process and completion of the Budget Evaluation Checklist</p> <p>To prepare the schedule of key deadlines, align the IDP and Budget process</p> <p>To allocate responsibilities to all internal stakeholders</p> | <p>Mayor – s53 MFMA</p> <p>AO, CFO & HOD's- s68, 77 MFMA</p> <p>AO, CFO & HOD's- s76- 81 MSA</p> | 31 st August 2013 |
| September 2013 | Municipality review options and contracts for service delivery Council through the IDP development process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans | <p>For the BTO to determine revenue projections and proposed rates and service charges and draft initial allocations to functions and departments for the 2009& 10 financial year after taking into account strategic objectives</p> <p>For the Manco to engage with Provincial and National sector departments on specific</p> | <p>Mayor</p> <p>AO, CFO & HOD's</p> | 28 th September 2013 |

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|---------------------------------------|---|---|---|-------------------------------|
| | | programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc) | | |
| October and November 2013 | <p>Council engages on consultative processes for IDP development</p> <p>Council reviews budget plans to be national policies potential price increases of bulk resources</p> | For the AO to do initial alignment of national policies and budget plans and potential price increases of bulk resources with municipal functions and departments | AO, CFO & HOD's- MFMA s 35, 36, 42; MTBPS | 30th November 2013 |
| December 2013 and January 2014 | <p>Council considers tariff (rates and service charges) policies for next Financial year.</p> <p>MSA s 74, 75</p> <p>Mayor tables MFMA s72 report to justify necessity for municipal adjustments budget, resolutions, SDBIP Review, and proposed revisions to IDP.</p> | <p>For the AO to consider departmental submissions for adjustment budget</p> <p>For the AO to consider Performance targets and SDBIP's review</p> | <p>Mayor</p> <p>AO, CFO & HOD's</p> | 25 th January 2014 |
| | <p>Council considers approval and adoption of adjustments budget and reviewed SDBIP's</p> | For the AO to submit adjustment budget, reviewed performance targets and reviewed SDBIP's to council approval | <p>Mayor</p> <p>AO, CFO & HOD's</p> | |

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|----------------------|---|--|--------------------------------------|--------------------------------|
| February 2014 | Council budget committees consider initial budget drafts | For the AO to incorporate the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years' audited financial statements and annual report | Mayor AO, CFO & HOD's | 28 th February 2014 |
| March 2014 | Council adopts tabled draft budget on before 31 st March | Accounting officer incorporates any changes in prices for bulk resources as communicated by 15 March MFMA s 42 | Mayor AO, CFO | 29 th March 2014 |
| April 2014 | Community participation process and input soliciting and interaction on the budget Exco and budget committees to deal with inputs from consultation process | To involve community and seek ownership and by- inn To incorporate all concerns to budget where possible | Mayor AO, CFO | 30 th April 2014 |
| May 2014 | Council considers views of the local community, NT, PT, other provincial and national organs of state and neighbouring municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget, related policies and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Ch 4 as amended | For the AO to prepare the final budget for consideration and approval by council For the Council to approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year MFMA s 16, 24, 26, 53 | Mayor AO, CFO | 31 st May 2014 |
| June 2014 | Mayor must consider for approval SDBIP and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. | For the AO to submit to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual | Mayor AO, CFO | 28 th June 2014 |

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|--|---|--|--|--|
| | <p>Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. MFMA s 53; MSA s 38-45, 57(2)</p> <p>Council must finalize a system of delegations. MFMA s 59, 79, 82; MSA s 59-65</p> | <p>performance agreements required by s 57(1)(b) of the MSA. MFMA s 69; MSA s 57</p> <p>For the AO of municipality to publish adopted budget and plans MFMA s 75, 87</p> | | |
|--|---|--|--|--|

Thus signed at.....on this.....day of.....2013

Mayor: Cllr. K.S. Phangwa