

# NGQUSHWA LOCAL MUNICIPALITY: IDP/BUDGET AND PMS PROCESS PLAN 2018/2019



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**Annexure**

2018/2019 IDP/Budget and PMS Process Plan Calendar

## **1. INTRODUCTION**

On the 31 May 2017, Ngqushwa Local Municipality adopted its 2017/2018-2020/2021 Integrated Development Plan (IDP) for the municipality. The IDP was developed in accordance with requirements set out in the Municipal Systems Act (32 of 2000) and Local Government Municipal Planning and Performance Management Regulations (2001).

Section 28 (1) of the Municipal Systems Act no. 32 of 2000 states that each municipal council must, within a prescribed period after the start of council's elected term, adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP. The way in which the IDP process will be undertaken is outlined in Process Plans which all municipalities must prepare. These Process Plans need to comply with this Framework Plan to ensure alignment and co-ordination between district and local municipalities as stipulated in the Municipal Systems Act.

The Local Government: Municipal Planning and Performance Management Regulation, 2001 provides the guidelines for Integrated Development Plan and the processes the Municipality must subject the IDP process into when doing its review.

## **2. BACKGROUND**

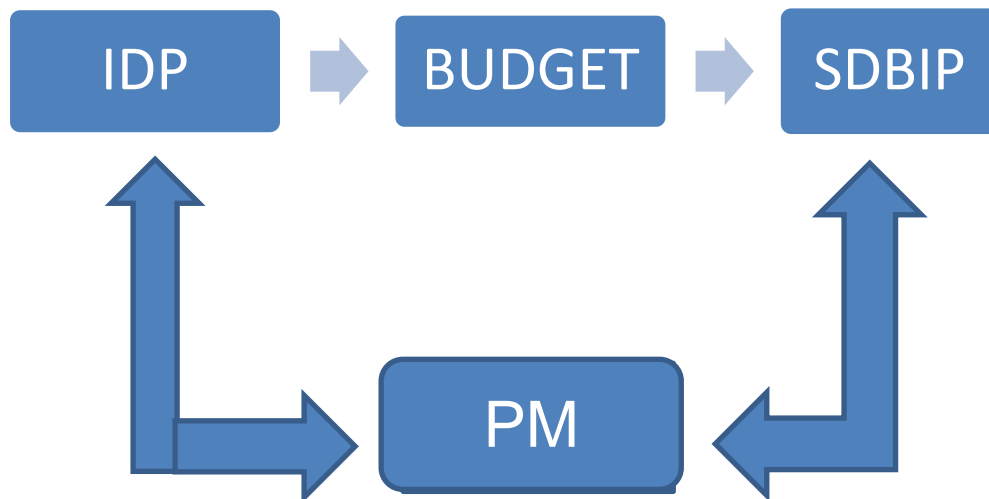
### **2.1 STRATEGIC MANAGEMENT CONSIST OF:**

1. Planning
2. Organising
3. Implementing
4. Monitoring and Evaluation

Strategic Planning process in Local Government consist of IDP, Budget, SDBIP and Performance Management.

The below diagram illustrate the Strategic Planning process in Local Government:

**Diagram 1**



## **2.2 LEGAL CONTEXT**

According to Section 27(2) of the Municipal Systems Act, the framework plan binds both the district municipality and the local municipalities. The Act states that the framework plan must at least cover the following issues:

- Identify plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality;
- Identify matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment;
- Specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters; and
- Determine procedures;

- (i) For consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and
- (ii) To effect essential amendments to the framework.

The Municipal Finance Management Act (MFMA) is very clear in respect to time-frames for the IDP and the budget. The MFMA requires the budget and IDP schedule (or the IDP Process Plan) to be adopted by Council by the end of August, the budget and IDP to be tabled before the council in March and Budget and IDP to be adopted by council in May (section 21 and 24).

### **2.3 ELEMENTS OF IDP DEVELOPMENT**

The review of the IDP process is mainly geared towards picking up on early-warning sign for corrective action whenever it is required. The Performance Indicators are flowing from the IDP and constitute the heart of the Performance Management System. The above lay the basis for the review of the Integrated Development Plan.

Apart from the statutory imperative, it is necessary for Ngqushwa Local Municipality to review its IDP in order to:

- Ensure the IDP's relevance as the municipality's strategic plan;
- Inform other components of the municipal business processes, including institutional and financial planning and budgeting;
- Inform the cyclical inter-governmental planning and budget processes.

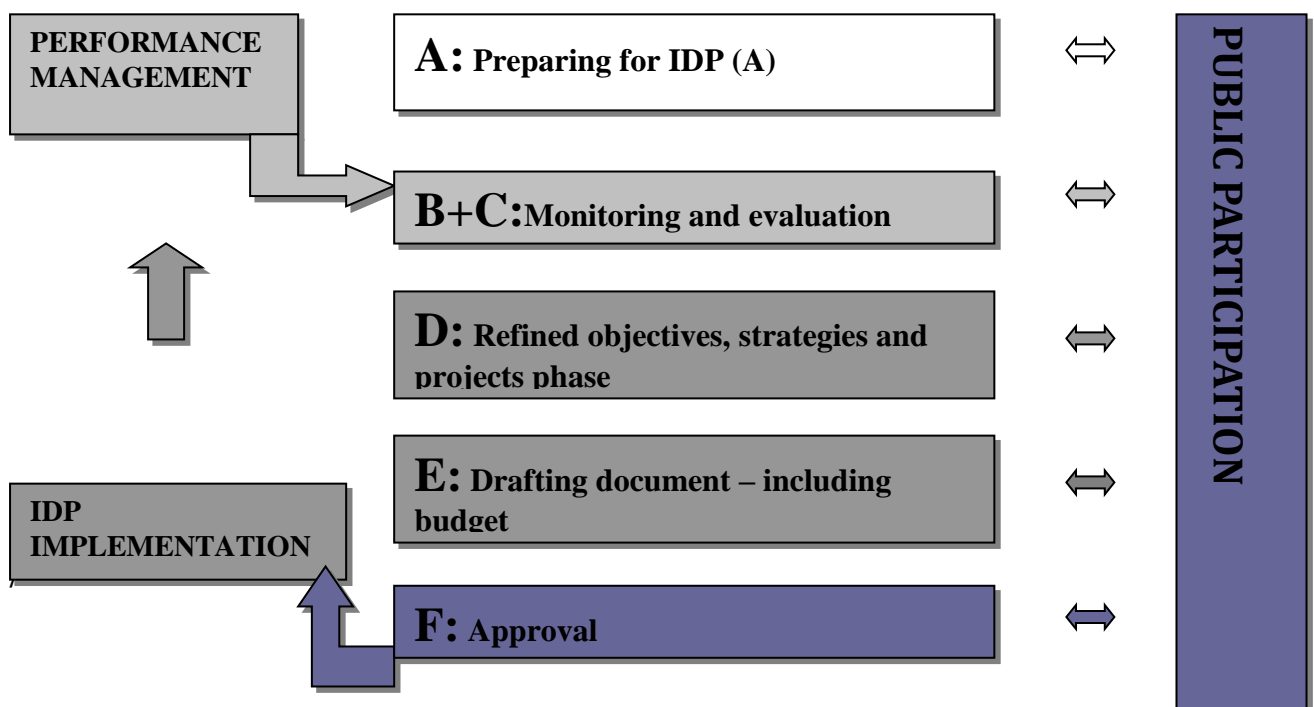
In the IDP review cycle changes to the IDP may be required from these main sources:

- Comments from the MEC, if any;
- Incorporation of the most recent descriptive data ;
- Review and refinement of the objectives and strategies ;
- Review and refinement of the projects ;
- Amendments in response to changing circumstances and;
- Improving the IDP process and content.

### 3. IDP PROCESS

This process describes a continuous cycle of planning, implementation and review as can be seen in the figure below. During the year new information becomes available and unexpected events may occur. Some of the information can make immediate changes to the planning and the implementation of the IDP. After the reviewed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated as indicated in Diagram 1 for consideration in the next IDP review (DPLG, IDP Guide Pack, Guide IV).

**Diagram 1: Summary of the IDP Process**



### 4. ORGANIZATIONAL ARRANGEMENT

The following arrangement has set out to institutionalize community participation and also to enable the municipality to manage the drafting output.

## **The Council**

Terms of Reference:

- Considers and adopts the process plan;
- Is also responsible for adopting the IDP.

## **IDP Manager**

The Acting Municipal Manager, Mr.L.F Govu, will manage the Ngqushwa Local Municipal IDP.

## **Terms of Reference for the IDP Manager**

The IDP Manager shall, in accordance with the provisions of the IDP legislation framework:

- Ensure that the local framework is drafted and approved by Council ;
- Manage the IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources;
- Ensure that the planning process is participatory, strategic and implementation orientated and is aligned with and satisfies sector planning requirements, planning process and compliance with action programme;
- Ensure that the planning process outcomes are clearly documented;
- Chair the IDP Technical Steering Committee ;
- Will coordinate with various government departments and the district IDP Manager to ensure that all projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa ;
- Responds on comments on the draft IDP from the public, horizontal alignment and other spheres of government to the satisfaction of the Council ;
- Ensure that annual business plans and municipal budget are linked and based on the IDP;
- Adjust the IDP in accordance with the proposals issued by the MEC responsible for the Local Government as per the provision of Section 32(2) (a) of the Municipal Systems Act.

## **IDP/Budget and PMS Steering Committee**

The IDP/PMS and Budget Steering Committee will consist of:

- Mayor Chairperson;
- Municipal Manager;
- Senior Management;
- Council Portfolio Heads;
- Chief Whip of Traditional Leaders: Prince Zitshu;
- Ward Councillors;
- Community Development Workers;
- Secretaries(1 per ward) of Ward Committees.

## **Terms of Reference of the IDP/Budget and PMS Steering Committee**

- Provides terms of reference for the various planning activities;
- Compile departmental operational and capital information;
- Commissions research studies;
- Consideration and making comments on inputs from role players and sub-committees;
- Makes content recommendations;
- Prepares, facilitates and document meeting outcomes;
- Meet regularly to consider issues to be tabled before the IDP/Budget and Representative Forum;
- Ensure integrated budgeting;
- Monitors implementation of the municipal IDP;
- Review stakeholders' list;
- Considers comments from the Eastern Cape Department of Cooperative Governance and Traditional Affairs and take corrective measures.

## **IDP/Budget and PMS Representative Forum**

The forum will consist of:

- The Mayor ( convene and chair meetings);
- IDP/Budget and PMS Technical Steering Committee;
- IDP/Budget and PMS Steering Committee;
- Ward Committees;

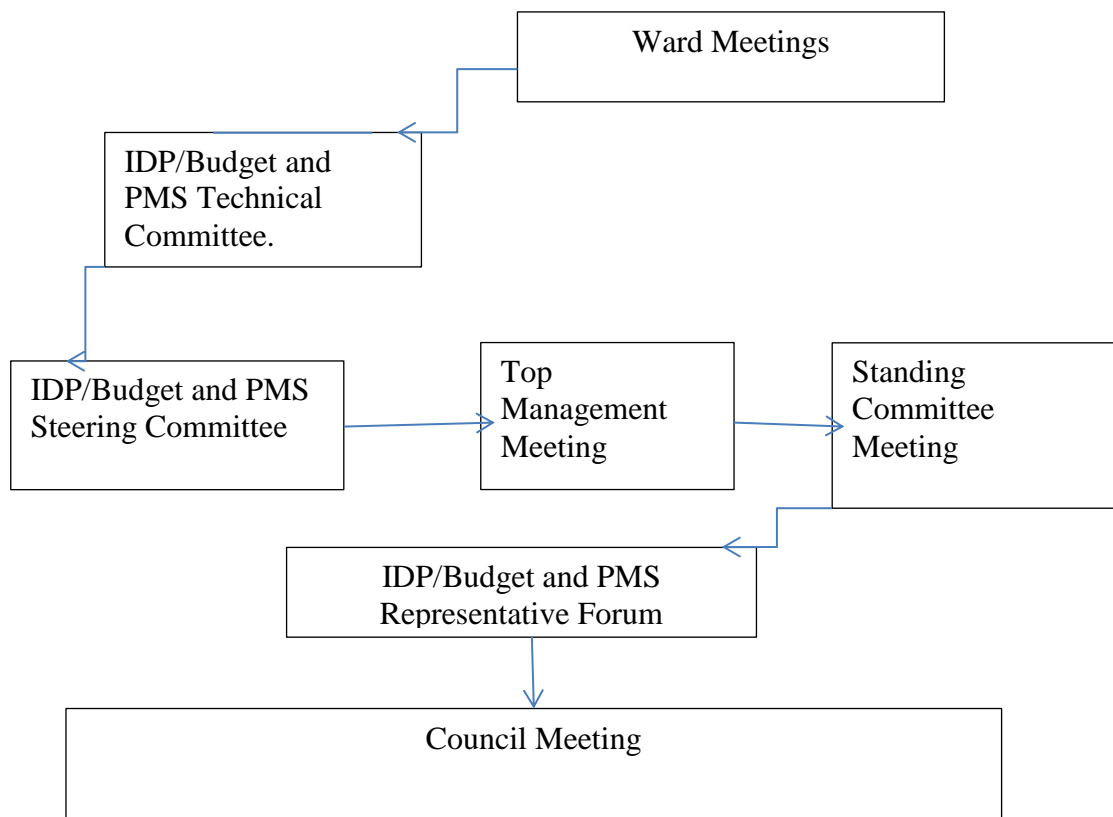


- Community - based organizations;
- Advocates for unorganized groups;
- Civil society;
- Business People;
- Organized labour;
- Sector Departments.

**Terms of Reference**

- Represent the interests of their constituencies,
- Provide organisational mechanism for discussion, negotiation and decision making between the stakeholders;
- Ensure adequate communication amongst all the stakeholders' representative;
- Monitor the performance of the planning and implementing process.

**5. DIAGRAM: MUNICIPAL STRUCTURES PARTICIPATION AND INVOLVEMENT**



The formula of structures co-operation will definitely lead to the council for approval and consideration, it's down to the top approach.

## **6. PROCEDURES FOR COMMUNITY AND STAKEHOLDERS PARTICIPATION**

Ngqushwa Local Municipality advocates for promotion of "Active Citizenship" within its municipal jurisdiction. The municipality also advocates for a people centered municipality that ensures that Batho Pele Principles are promoted and adhered to. The IDP and Budget Processes demand the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are being experienced by the citizens' within the municipality.

### **Participation Procedure**

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Representative Forum to verify and add data ;
- District Municipality's Representative Forum to ensure that local priorities are adequately reflected in the District's IDP;
- Use Ward Councilors to call meetings to keep communities informed about the IDP progress (including Ward Committees and CDWs);
- Publish annual reports on municipal progress;
- Advertise in local newspapers;
- Making the IDP document available to all units and public places for public comments;
- Making use of municipal website.

### **Appropriate Language Use and Communication Mechanisms**

English will be used as a medium of communication. However in community meetings languages that are spoken in that community will also be used. The municipal website, newsletter, Isolezwe newspaper and daily dispatch will be utilized for publication of the following council events.

- IDP/Budget and PMS Representative forum;
- Publication of IDP/Budget and PMS Process Plan;
- Mayoral Imbizo/IDP/Budget road show.

### **Appropriate venues and transport**

- Officials will be responsible for arranging venues and transport for all wards;
- Transport will be arranged for Designated Groups and Ward Committees;
- Ngqushwa Municipality will be responsible for the costs of these meetings.

## **7. MECHANISMS AND PROCEDURES FOR ALIGNMENT**

The Municipal Manager of Ngqushwa Municipality will be responsible for ensuring smooth co-ordination of the IDP process and its alignment with the District's IDP through bilateral discussions with affected sector departments and neighboring municipalities. Inter-Governmental Forums will also be used to ensure that beneficial alignment of programmes and projects do occur.

## **8. THE BUDGET PROCESS**

The budget proposals for the 2018/2019 financial year should be informed by Council's Integrated Development Planning process, particularly in terms of objectives, outputs and targets envisioned for the next 3 years. In this way, budget proposals and the Integrated Development Plan will be linked directly to each other.

Quality budgeting enhances service delivery. This is the main message underlying recent reforms that Council has been subjected to. In particular, integrated planning, budgeting and monitoring of service delivery performance gives . The performance management system gives effect to the emphasis on improved transparency and accountability for the management and use of public resources. The budget process allows Council to:

- Revise its policy priorities, macroeconomic framework and resource envelope;
- Evaluate departmental plans and allocate available resources in line with policy priorities;
- Obtain the required authority from Council to spend.

### **Matching policy priorities and resources**

Deciding and agreeing on the best allocation of scarce resources to fund Council's many social, economic and political goals is the main purpose of the budget process.

The budget process starts early in the year with a review of the IDP and budget processes of the previous year and the budget parameters.

Additional resources for funding new priorities arise from a review of the overall budget framework, including fiscal policy considerations, overall spending growth, inflation assumptions, and debt interest projections.

The budget and IDP are to be presented for approval on or before 31 May 2016 as indicated in Table 2 below:

**Table 2: Budget Process Plan timeline**

July – August	Review previous IDP and budget process plans
September	Set parameters and establish the budget task team
October	Consider the revision of Council’s establishment plan – meeting the HR capacity needs and the cost application of such capacity [functions to be considered]
November to January	Align the budget to Council’s policy priorities
February	Consolidate the budget and macro summary
March	Table the draft budget in Council for approval
April – May	Consult the public on the IDP and budget
May	Table the final budget in Council for adoption
June	Submit adopted budget to National Treasury

**Policy priorities and public expenditure**

Strengthening the link between Council policy priorities and expenditure is at the core of budgeting. Expenditure allocation translates policy priorities into the delivery of services to communities, and is therefore a key tool for accomplishing Council’s goals.

**Political oversight of the budget process**

The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process. The Mayor should establish a Budget Steering Committee that is chaired by the portfolio Councillor for finance, with the committee consisting of the chairpersons of each of the standing committees.

Political oversight of the budget process is essential to ensure that:

- The political executive is responsible for policy and prioritization;

- Policy priorities are linked to cluster spending plans and the delivery of quality services.

The budget process commences with parameter and policy assessment and formulation.

Budgeting is primarily about the choices and trade-offs that Council has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows Council to manage the tension between competing policy priorities and fiscal realities.

### **Budgeting for service delivery**

Strengthening the link between Council's priorities and spending plans is not an end in itself. The goal is to improve delivery of services and ultimately the quality of life of people throughout the municipal area.

Sound budgeting as mentioned in the introduction leads to enhanced service delivery. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthen the link between the services that departments provide and the benefits and costs of these services. It is important to emphasise the role of performance management which serve to monitor performance against measurable performance objectives that are informed by service delivery targets as captured in the various sector plans.

## **9. PERFORMANCE MANAGEMENT SYSTEM**

Quarterly Performance Information will be made available to the Stakeholders for Inputs and comments to ensure that the Institutional performance management system well-driven to ensure effectiveness and efficiency.

## 2018/2019 IDP/ BUDGET PMS PROCESS PLAN CALENDER

### PHASE 1: DEVELOPMENT OF 2018/2019 IDP/BUDGET & PMS PROCESS PLAN FROM JULY-SEPTEMBER 2017

#### TABLING ADOPTED 2018/2019 IDP/BUDGET & PMS PROCESS PLAN & TABLING OF 2016/17 PERFORMANCE INFORMATION

No	Date	Activity	Responsible Person's
1	04 August 2017	IDP/Budget and PMS Steering Committee	Mayor / Municipal Manager /HOD's
2	21 August 2017	IDP/Budget and PMS Representative Forum	Mayor / Municipal Manager /HOD's
3	30 August 2017	Inter-Governmental Relations Forum	Mayor / Municipal Manager /HOD's

### PHASE 2: SITUATIONAL ANALYSIS : FROM OCTOBER-DECEMBER 2017

#### CONDUCT SITUATIONAL ANALYSIS FOR 2018/2019 IDP REVIEW

4	3-13 October 2017	Tabling of 2016/17 Draft Annual Report (MPAC Annual Report Roadshows)	Mayor /Speaker /MPAC Chairperson /Municipal Manager
5	25 October 2017	Council Meeting	Mayor /Speaker /Council /Municipal Manager and HOD's
6	24 November 2017	IDP/Budget and PMS Steering Committee	Mayor / Municipal Manager /HOD's
7	29 November 2017	Inter-Governmental Relations Forum	Mayor / Municipal Manager /HOD's
8	4 December 2017	IDP/Budget and PMS Representative Forum	Mayor/Municipal Manager /HOD's
9	13 December 2017	Council Meeting	Mayor /Speaker /Council /Municipal Manager and HOD's

**PHASE 3: STRATEGIES :FROM JANUARY 2018 – MARC2H 2018**

**CONDUCT STRATEGIC PLAN (2018/2019 DRAFT IDP /DRAFT 2018/2019 BUDGET /DRAFT 2018/2019 SDBIP)**

<b>10</b>	24 January 2018	Council Meeting	Mayor /Speaker /Council /Municipal Manager and HOD's
<b>11</b>	29-31 January 2018	Technical Strategic Planning	Municipal Manager/HOD's /Strategic Planning and Development Manager
<b>12</b>	5-9 February 2018	Institutional Strategic Planning	Municipal Manager/HOD's /Strategic Planning and Development Manager
<b>13</b>	27 February 2018	Inter-Governmental Relations Forum	Mayor / Municipal Manager /HOD's
<b>14</b>	31 March 2018	Council Meeting	Mayor /Speaker /Council /Municipal Manager and HOD's

**PHASE 4: INTEGRATION OF SECTOR PLANS AND APPROVAL OF IDP & BUDGET : FROM APRIL –JUNE 2018**  
**ALIGN SECTOR PLANS & FINAL APPROVAL OF 2018/2019 IDP & 2018/2019 BUDGET**

<b>15</b>	16-23 April 2018	IDP/Budget and PMS Roadshows	Mayor/Municipal Manager
<b>16</b>	11 May 2018	IDP/Budget and PMS Steering Committee	Mayor / Municipal Manager /HOD's
<b>17</b>	17 May 2018	IDP/Budget and PMS Representative Forum	Mayor/Municipal Manager /HOD's
<b>18</b>	30 May 2018	Inter-Governmental Relations Forum	Mayor / Municipal Manager /HOD's
<b>19</b>	31 May 2018	Council Meeting	Mayor /Speaker /Council /Municipal Manager and HOD's



**THE 2018/2019 IDP/BUDGET PMS PROCESS PLAN WAS ADOPTED BY THE COUNCIL ON THE .....**

ISSUED BY THE ACTING MUNICIPAL MANAGER: MR.L .F GOVU

SIGNATURE \_\_\_\_\_

DATE\_\_\_\_\_

ENDORSED BY THE MAYOR: CLLR.M.T.SIWISA

SIGNATURE\_\_\_\_\_

DATE\_\_\_\_\_