

**4. STELLENBOSCH MUNICIPALITY'S PROCESS PLAN INDICATING THE KEY DEADLINES AND TIME FRAMES FOR THE INTEGRATED DEVELOPMENT PLANNING (IDP), BUDGET AND SPATIAL DEVELOPMENT FRAMEWORK (SDF) PROCESSES FOR THE 2016/17 FINANCIAL YEAR**

*File number* : 9/1/2/1  
*Compiled by* : Manager: IDP/PMS  
*Report by* : Director: Strategic & Corporate Services  
*Delegated Authority* : Council

***Strategic intent of item***

<i>Preferred investment destination</i>	X
<i>Greenest municipality</i>	X
<i>Safest valley</i>	X
<i>Dignified Living</i>	X
<i>Good Governance</i>	X

**1. PURPOSE OF REPORT**

To obtain Council approval for the IDP, Budget and SDF Process plan indicating the Time Schedule of key deadlines for the 2016/17 financial year.

**2. BACKGROUND**

The IDP Process Plan is compiled in terms of sections 28 and 29 of the Municipal Systems Act, No 32 of 2000; which specifies that:

Section 28:

- (1) *Each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.*
- (2) *The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.*
- (3) *A municipality must give notice to the local community of particulars of the process it intends to follow."*

Section 29(1):

*"The process must—*

- (a) *be in accordance with a predetermined programme specifying timeframes for the different steps;*

- 
- (b) *through appropriate mechanisms, processes and procedures allow for—*
    - (i) *the local community to be consulted on its development needs and priorities;*
    - (ii) *the local community to participate in the drafting of the IDP; and*
    - (iii) *organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;*
  - (c) *provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and*
  - (d) *be consistent with any other matters that may be prescribed by regulation.”*

The Annual Budget and the IDP are inextricably linked to one another, something that has been formalised through the promulgation of the Municipal Finance Management Act (Act 56 of 2003). Chapter 4 and Section 21(1) of the MFMA indicate that:

*The Mayor of a municipality must –*

- (a) *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;*
- (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*
  - (iv) *the consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).*

The IDP/ Budget SDF Process Plan takes cognizance of the regulatory framework for the drafting, consultation and approval of the annual Service Delivery and Budget Implementation Plan (SDBIP) which is developed in accordance with the Local Government: Municipal Systems Act, Act 32 of 2000 and Regulations. The SDBIP is the implementation tool to give effect to those objectives and targets as indicated in the IDP. The importance of synchronising

the timelines for the revision of the IDP and MTREF with those of the SDBIP, is captured in the sections from the Municipal Systems Act cited underneath:

Section 41:

- (1) *A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed –*
- (a) *set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan".*

The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) (MSA) Section 26(e) of the MSA refers to the Municipal SDF as a 'core component' of the municipal IDP and requires that the IDP reflects a SDF which must include the provision of basic guidelines for a land use management system for the municipality.

The new planning dispensation which includes the Spatial Planning and Land Use Management Act, 2013, (Act 16 of 2013)(SPLUMA) , the Western Cape Land Use Planning Act No 3 (2014) and the Stellenbosch Municipal Planning By-law (2015) imposes new requirements to compile or amend a Spatial Development Framework.

A municipal SDF (new and/or amended) has to follow a timeline set out in a process plan similar to the IDP process plan. Moreover, the SDF and IDP processes need to be aligned. To this end, the attached process plan incorporates two aspects of the municipal SDF, namely a timeline for amendment of the current SDF, approved in February 2013 (one year process) and for drafting of a new SDF (two year period).

Section 20(2) of SPLUMA indicates how a municipal SDF must be prepared 'as part of' a municipal IDP, in accordance with the provision of the MSA

*The IDP/Budget/SDF Process plan indicating the Time schedule of key deadlines for the 2016/17 financial year is **distributed under separate cover as APPENDIX 1.***

### 3. DISCUSSION

The process follows the following major phases:

- **Analysis** (August - November 2016) which includes community input, performance analysis, financial analysis and organisational analysis.
- **Strategy** (November/December 2016) during which period the political and executive leadership confirms the strategic direction which will guide the compilation of the revised IDP, SDBIP and MTREF (vision, mission, focus areas, strategic objectives, measures and targets).
- **Preparing annual budget and IDP** (November 2016 to March 2017) during which period the municipal performance scorecard

is revised and budget priorities and outputs for the next three years are determined.

- **Tabling of the draft IDP, draft SDBIP and Annual Budget for the purposes of community and other inputs** (March 2017).
- **Consultation and refinement** (April 2017) where the above-mentioned documents are published and circulated for comments and inputs by the community, National and Provincial Treasury, the Cape Winelands District Municipality and other prescribed organs of state or municipalities affected by the IDP or budget.
- **Final approval** (May - June 2017) after consideration of the inputs and comments received.

Important deadlines in terms of the Municipal Systems Act (MSA) and the Municipal Finance Management Act and Regulations (MFMA) are depicted below:

MFMA Section 21(1)	Approve the time schedule	10 months before the start of the new budget year
MFMA Section 16(2)	Table draft budget at a council meeting	90 days before the start of the new budget year
MFMA Section 24(1)	Approve the final budget	30 days before the start of the new budget year
MFMA Section 69 (3)(a)	Submit draft SDBIP	No later than 14 days after the approval of an annual budget
MFMA Section 53 (1)(c)(ii)	Approval of SDBIP	Within 28 days after the approval of the annual budget is approved by council
MSA Section 32(1)	Submit copy of the IDP/draft SDBIP to Province	10 days after the adoption of the IDP
MSA Section 25(4)	Give notice to public on adoption of the IDP	14 days after the adoption of the IDP
MSA Section 25(4)	Publicise a summary of the IDP	14 days after the adoption of the IDP
MFMA Section 69(3)	Submit to the Executive Mayor a service delivery and budget implementation plan (SDBIP)	14 days after the approval of the annual budget
Municipal Performance Regulation 805, Section 24 (2)	Review performance agreements	Reviewed within the month of June annually
MSA Section 57(2)(a)(ii); Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers, 2006, Regulation 805, Section 4 (a)	Signing of annual performance agreements	Signed within one (1) month of the new financial year or within 90 days upon assumption of duty Chapter 2:4(a), (Systems Act, Sec);
Municipal Performance Regulations for Municipal Managers and managers directly accountable to	Submission of performance agreement to the MEC	Within 14 days after concluding the employment contract and performance agreement

Municipal Managers, 2006, Regulation 805, Section 4 (5)		
MFMA Section 53 (3)(b)	Advertise performance agreements of senior managers	No later than 14 days after the approval of the SDBIP
Section 127 (2) of the MFMA	Annual Report submission to Council	within seven months after the end of the financial year;
Section 127 (5)(i) of the MFMA	Annual Report to Council	Immediately after the Annual Report is submitted
Section 127 (5)(ii) of the MFMA	Annual Report to the public	Immediately after submission to Council invite the local community to submit representations
Section 127 (5)(b) of the MFMA	Annual Report to the Auditor-General; Provincial Treasury; Department of Local government	When Annual report is submitted

#### 4. FINANCIAL IMPLICATION

There are no financial implications during approval of the process plan.

#### 5. COMMENTS BY RELEVANT DEPARTMENTS

All relevant Departments were consulted to incorporate key deadlines and time frames in the IDP, Budget and SDF Process plan and to refer to the applicable legislation in the item.

#### RECOMMENDED

- (a) that Council approves the IDP, Budget and SDF Process plan indicating the Time Schedule of key deadlines for the 2016/17 financial year; and
- (b) that any amendments to the time schedule be approved by the Executive Mayor.

**(CHIEF FINANCIAL OFFICER TO ACTION)**

#### MAYORAL COMMITTEE MEETING: 2016-08-22: ITEM 6.1.2

#### RECOMMENDED BY EXECUTIVE MAYOR

- (a) that Council approves the IDP, Budget and SDF Process plan indicating the Time Schedule of key deadlines for the 2016/17 financial year; and
- (b) that any amendments to the time schedule be approved by the Executive Mayor.

**(CHIEF FINANCIAL OFFICER TO ACTION)**

**SPECIAL COUNCIL MEETING: 2016-08-25: ITEM 4****RESOLVED** (nem con)

- (a) that Council approves the IDP, Budget and SDF Process plan indicating the Time Schedule of key deadlines for the 2016/17 financial year; and
- (b) that any amendments to the time schedule be approved by the Executive Mayor.

**(DIRECTOR: STRATEGIC & CORPORATE SERVICES TO ACTION)**