



IDP/BUDGET PROCESS PLAN 2017/2018

The Mayor
Amahlathi Municipality
Private Bag X4001
Stutterheim

SECTION ONE: IDP PROCESS PLAN

1. INTRODUCTION

On the 31st May 2016, Amahlathi Municipality adopted its 2016/17 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 elaborately on the contents of the Integrated Development Plan and the processes the Municipality must subject the IDP process into when doing its development or review.

1.1 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).

1.2 Elements of IDP development

The IDP review 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.

Aside from the statutory imperative, it is necessary for Amahlathi 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

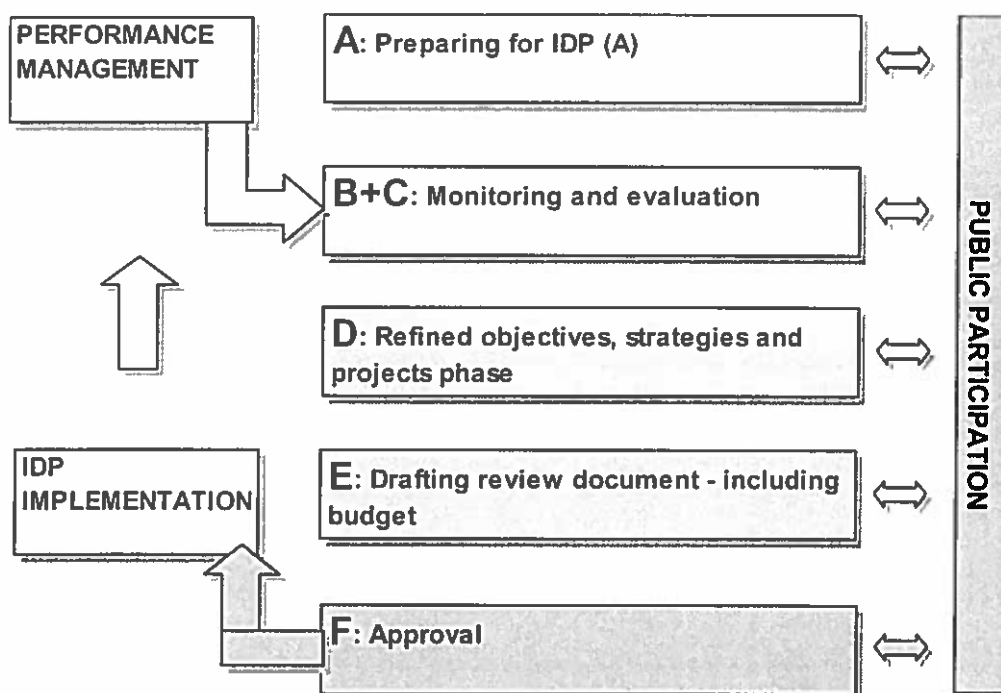
In the IDP review cycle changes to the IDP may be required from these main sources:

- 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.

The significant development, which in all probabilities will have a huge impact on the IDP, is the Community Based Planning. The Community Based Planning is a planning instrument, which is geared towards the enhancement of the community participation component of the IDP. Of particular concern has been the inability of the IDP to translate community participation into an organic process.

1.3 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 for consideration in the next IDP review (DPLG, IDP Guide Pack, Guide IV).



Each of these steps is reflected in the Action Plan which outlines the time frames and activities within which these steps should take. Because the roll out of the PMS is part of the review process, it is also included in the Action Plan.

2. ORGANISATIONAL ARRANGEMENTS

Four structures will guide the IDP Review Process within the Amahlathi Municipal Area

- 2.1 IDP & Budget Steering Committees
- 2.2 Inter-Governmental Relations
- 2.3 IDP Representative Forums

2.1 IDP & Budget Steering Committee

The Mayor of a municipality must establish a Budget Steering committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act (MFMA) The Budget Steering Committees shall be comprised as follows guided by MBRR.

- (a) the councilor responsible for financial matters;
- (b) the municipal manager;
- (c) the chief financial officer;
- (d) the senior managers responsible for at least the three largest votes in the municipality;
- (e) the manager responsible for budgeting;
- (f) the manager responsible for planning and any technical experts on infrastructure.

An IDP & Budget Technical Working Committee (Task Team) that would function as a technical working team shall be composed of the following members:

- Municipal Manager – Chairperson
- Strategic Planning Manager
- Planning & Development Manager
- Chief Financial Officer
- Engineering Manager
- Corporate Services Manager
- Community Services Manager
- Senior Manager Budget
- IDP & PMS Manager
- Senior Accountant Budget and Reporting, to provide secretariat

The steering committee would provide a technical support to the IDP Driver to ensure a smooth planning process. It is supposed to guide the process. This means that amongst other things it will be responsible for:

- Establishment of the Representative Forum
- Define criteria to choose members of the Forum
- Inform public about the establishment of the forum, request submissions of applications from stakeholders and communities (indicate objectives, activities and number of members)
- Identify additional stakeholders from unorganized groups, e.g. potential academics, advocates, doctors and resource persons.
- Submit proposed groups/ members to the Council for consideration

2.2 Inter-Governmental Relations

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underlie the relations between the spheres of government. IGR meetings will sit on a quarterly basis and are an information-sharing vehicle where government departments and the municipality give light of their experiences and challenges with regards to service delivery. IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programmes and projects. It therefore serves as a feeder to the IDP and should sit before the IDP Rep forums.

Only heads of government departments sit on these meetings, failing which representatives sent by these heads, the honourable Mayor, Executive committee members, Municipal Manager, All Amahlathi Head of departments, IDP & PMS Manager, Communications Manager and ADM Communication/ Public Participation representative.

2.3 Integrated Development Plan Representative Forum

The most critical structure established for this process, especially for purposes of ensuring maximized participation of different interest groups and sectors, is the IDP Representative Forum. The rationale behind the establishment of this committee is to ensure that communication channels are kept smooth and efficiently.

The function of the IDP Representative Forum includes the following:

- The Representative Forum will have to ensure that every activity and decisions taken in the IDP development process are communicated to the communities.
- They are also to monitor and ensure that all decisions that are taken with regards to routes that the IDP must take from time to time are followed to the latter.
- They are expected at all times to reflect and safeguard the community inputs. This means that they are the mouthpiece of the communities.
- They represent the interests of their communities.
- Provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government.
- Participate in the process of setting and monitoring key performance indicators.

Ward/PR Councillors, Traditional Leaders and Ward Committees: Their responsibility is to ensure that at all times their mandates in the Integrated Development Forum comes from communities which they represent particularly on issues affecting them. The Ward/PR Councillors, Traditional Leaders and ward Committees are further expected to communicate deliberations of the IDP Representative Forum and always ensure that feedback is given to the communities on progress registered. The minutes on the forums convened are always reported to the Council for considerations.

Ward Planning Forum: Voices of the community responsible for social mobilization, stressing the need to engage with local government to secure services and resources. This forum will champion the planning review processes at a ward level.

District Municipality: The main role of the Amathole District Municipality is to provide technical inputs and assistance on the processes.

2.4 Schedule of meetings

In addition to various meetings, the following meetings are required for the IDP Review Process:

STRUCTURE	DATE
IDP/Budget Steering Committee Meeting	20 July 2016
	13 September 2016
	11 October 2016
	28 November 2016
	12 January 2017
	06 February 2017
	07 March 2017

	09 May 2017
Ward based planning (Mayoral community visits on priority need)	04-21 October 2016
IDP & Budget Representative Forum Meeting	20 September 2016
	24 November 2016
	15 March 2017
	16 May 2017
Intergovernmental Relations Forum (IGR)	11 August 2016
	16 November 2016
	16 February 2017
	10 May 2017
Annual Report public hearings	01 – 10 November 2016
Commencement of Departmental Strat Plans	29 November 2016
Technical Strat Plan	30-31 January 2017
Institutional Strat Plan	15-17 February 2017
IDP/Budget Public Hearings	06 – 10 April 2017

3. MECHANISMS AND PROCEDURES FOR PUBLIC PARTICIPATION

The following public participation mechanisms are proposed for each and every milestone.

Preparation Phase	Adverts on Newspaper Announcements on Local Radio Station
Monitoring and Evaluation Phase	Representative Forum Meetings
Objectives, strategies and Projects Phase	Representative Forum Meetings
Reviewed IDP Phase	Public Hearings Representative Forum Meetings
Approval Phase	Adverts on Newspaper Announcements on Local Radio Stations Representative Forum Meetings Public Hearings

3.1 Public Participation Strategy

Chapter 4 of the Municipal Systems Act will guide in the implementation of the public participation policy for the IDP process. In order to ensure that all stakeholders have the opportunity to be represented on the Representative Forum, the following forms of media will be used are:

- Forte FM
- Daily Dispatch
- Eastern Cape Today
- What's New
- Community Newspapers

To ensure that the needs of unorganized groups are represented as well, advocacy groups and or Non-Governmental Organizations (NGOs) will be used as well for communication. Meetings of the Representative Forum will be held in any appropriate Municipal buildings and the languages to be used are:

- English
- Xhosa

4. BINDING PLANS AND LEGISLATION

National legislation can be distinguished between those that deal specifically with municipalities arising from the Local Government White Paper on the one hand and sector planning legislation on the other.

The Municipal Structures and Systems Acts are specific to municipalities. The Systems Act has a specific chapter dedicated to IDPs and is the driving piece of legislation for the development of IDPs. Arising from the Systems Act, the IDP Regulations need to be complied with.

National sector legislation contains various kinds of requirements for municipalities to undertake planning. Sector requirements vary in nature in the following way:

- Legal requirements for the formulation of a discrete sector plans (e.g. a water services development plan).
- A requirement that planning be undertaken as a component of, or part of, the IDP (like a housing strategy and targets).
- Links between the IDP and budget process as outlined in the Municipal Finance Management Bill.
- Legal compliance requirement (such as principles required in the Development Facilitation Act – DFA – and the National Environmental Management Act – NEMA).
- More a recommendation than a requirement, which is deemed to add value to the municipal planning process and product (in this case, Local Agenda 21).

These are highlighted in the table below:

CATEGORY	SECTOR REQUIREMENT	NATIONAL DEPT	LEGISLATION/POLICY
Legal requirement for a district/local plan	Water Services Development Plan	Department of Water Affairs and Forestry	Water Services Act
	Integrated Transport Plan	Department of Transport	National Transport Act
	Waste Management Plan	Department of Environmental Affairs & Tourism	White Paper on Waste Management
	Spatial planning requirements	Department of Rural Development and Land Reform	Land Use Management Act
Requirement for sector planning to be incorporated into IDP	Housing strategy and targets	Department of Human Settlements	Housing Act (Chapter 4, Section 9)
	Coastal management issues	Department of Environmental Affairs & Tourism	

CATEGORY	SECTOR REQUIREMENT	NATIONAL DEPT	LEGISLATION/POLICY
	LED	Department of Economic Development, Environmental Affairs and Tourism, Department of Local Government and Traditional Affairs	Municipal Systems Act
	Integrated Infrastructure Planning	Department of Local Government and Traditional Affairs	
	Spatial framework	Department of Rural Development and Land Reform, Department of Local Government and Traditional Affairs	Municipal Systems Act, Land Use Management Act Bill
	Integrated Energy Plan	Department of Minerals & Energy	White Paper on Energy Policy, December 1998
Requirement that IDP complies with	National Environmental Management Act (NEMA) Principles	Department of Economic Development Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)
	Development Facilitation Act (DFA) Principles	Department of Rural Development and Land Reform	Development Facilitation Act
	Environmental Implementation Plans (EIPs)	Department of Economic Development, Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)
	Environmental Management Plans (EMPs)	Department of Economic Development Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)
	IDP/ budget link	National Treasury	Municipal Finance Management Act
Value adding contribution	Local Agenda 21		

The National Development Plan should be also considered during the review phase.

Each local municipality and the district municipality needs to include those planning documents that have been approved by Council or other strategies that might be relevant to the IDP process in their process plans.

5. PROGRAMME OF ACTION

The action programme will be broken into five phases

- Preparation phase
- Monitoring and evaluation phase
- Objectives, Strategies, Projects phase and Scorecards
- Consolidate Reviewed IDP and Budget
- Approval phase

6. MECHANISM AND PROCEDURE FOR ALIGNMENT

Processes at the District Municipality level inform the alignment process. The framework plan is the guiding document. The municipality was part of the process of drawing up the framework plan together with other Municipalities that are under the Amatole District Municipality.

7. EXISTING DOCUMENTS

- Legally Binding Documents
 - Municipal Systems Act
 - Municipal Finance Management Act
- Other Documents
 - Spatial Development Framework
 - Amahlathi LED Strategy
 - Tourism Strategy
 - Indigent Policy
 - Integrated Waste Management Plan
 - Environmental Management Plan
 - Agricultural Plan
 - Revenue Enhancement Plan
 - Housing Sector Plan
 - Employment Equity Plan
 - Workplace Skills Plan
 - Employee Performance Management Policy Framework
 - Community Safety Strategy
 - Disaster, Risk Management and All Hazards Contingency Plan
 - Tariffs Policy
 - Rates Policy
 - Credit Control and debt write-off Policy
 - Cash Management and Investment Policy
 - Asset Management Policy
 - Budget Policy
 - Customer Care Policy
 - Supply Chain Management Policy
 - Communication Strategy
 - Petition Policy
 - Public Participation Policy

8. SOURCES OF FUNDING

FUND	SOURCE	AMOUNT
IDP PROCESS PLAN	ALM	R650 000.00
STRATEGIC PLANNING	ALM	R440 000.00
ANNUAL REPORT	ALM	R180 000.00
TOTAL		R 1 075 000.00

SECTION TWO: BUDGET PROCESS PLAN

1. INTRODUCTION

The concept of a 3-year budget is now well-entrenched in the Council's budgeting process and has been improved upon over the last number of years. Guidelines issued on budget processes by National Treasury from time to time have helped to refine and improve our systems.

The budget proposals for the 2018 MTREF 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 properly aligned.

Better budgeting enhances service delivery. This is the main message underlying the Municipal Finance Management and Budgeting Reform Programme and the MFMA. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. 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 Plan* is issued to the Council, Executive Committee, Municipal Manager and various departments for the preparation of their 2018 MTREF budget proposals. It sets out the tasks to be performed and timeframes for each process. It is imperative that the timeframes are strictly adhered to in order to finalise the budget on time.

2. BUDGET PROCESS

The Medium Term Revenue and Expenditure Framework (MTREF) details 3-year rolling expenditure and revenue plans for Amahlathi Municipality. The MTREF budget process is designed to match the overall resource envelope, estimated through 'top-down' macroeconomic and fiscal policy processes, with the bottom-up estimation of the current and medium-term cost of existing departmental plans and expenditure programmes

The budget process allows Council to:

- Strengthen and evaluate the alignment between medium and long-term plans and funding proposals
- 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 [service delivery]
- Align parameter setting with budget outcomes and resource allocations.
- Link the Integrated Development Planning Process with the budget process

The purpose of the 2018 budget process will be the completion of a medium-term expenditure framework that apportions resources in line with Council's policy priorities for the next three years. How this will be achieved is described below.

2.1.1 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.

Drafting these three-year plans will guide the policy prioritisation and budgeting process for the 2018 MTREF.

Formulating an MTREF that has a three-year outlook will be put together by various role-players who interact at various stages of the budget process.

Formulating an MTREF differs from annual budgeting. In annual budgeting, the amount allocated to spending programmes is adjusted incrementally, with hardly any alignment to policy priorities. An MTREF provides the "linking framework" that allows expenditures to be "driven by policy priorities and disciplined by budget realities". – refer IDP.

2.1.2 Medium term policy review

The budget process starts early in the year with a review of the IDP and budget processes of the previous year, the budget parameters are set in September 2016 with the IDP/Budget Steering Committee and IDP/Budget Task Team.

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 [if applicable at this stage].

The resource envelope that funds the new priorities consists of the two outer forecast years of the 2017 MTREF. This is the starting point for the new budget and planning process and is used as a basis to determine the MTREF allocation for the period 2017/18 to 2019/20

The allocation of resources to the different sections and departments will be largely determined by Council's policies and priorities, which are reviewed during the process of developing the MTREF/budget and will take into account the various departments responsibilities for service delivery.

The timeline for critical budget decisions in the policy review stage of the process is outlined in table 1.

Table 1: Process plan timeline

July – August	Establishment of Budget Steering Committee, IDP and budget process plan review and table to council before 31 August
September	Setting of Parameter
October to November	Consideration of the revision of the Council's establishment plan – meeting the HR capacity needs and the cost application of such capacity (functions to be considered)
November to January	Aligning the budget to Council policy priorities
December	Mid-year review process, Costing of personnel requirements, Submission of Budget Proposals
January	Mid- year review approved by council not later 25 th January, Consolidate budget submissions
February	Revised Budget Approved by council not later than 28 th February
February	Consolidation of budget
March	Exco approval and tabling the Draft budget to Council not later than 31 st March
April – May	Public consultation on the IDP and Budget – Council Approval not later than 30 th May
June	Submission to National Treasury within 10 days

3. COMPILING MTEF BUDGET PROPOSALS

3.1.1 Budget Principles

Budgeting within the Medium Term Expenditure Framework is based on a set of core principles that relate to:

- Fiscal policy and the budget framework
- Policy priorities and public expenditure
- Political oversight of the budget process
- Budgeting for service delivery

3.1.2 Fiscal policy and the budget framework²

Medium-term spending plans of the various clusters for the period 2017/18 to 2019/20 will be prepared within the context of Council's macroeconomic and fiscal framework.

As part of a three-year rolling budget process, the budget framework is revised each year. Additional resources for new expenditure will form part of the macroeconomic forecast. Growth in external funding particularly for capital projects is important if Council is to meet the objectives established in the IDP. Council is dependent on the Equitable Share to provide free basic services and support to the indigent in terms of council's Indigent support Policy.

The MTREF set out in the 2016 budget will define the budget baseline for the 2018 MTREF. The various role-players will have to examine the fiscal implications of new spending pressures and match them to available resources.

3.1.3 Policy priorities and public expenditure

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

3.1.4 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 has established a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.

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

- The political executive is responsible for policy and prioritisation
- 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.

3.1.5 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 Amahlathi.

Better budgeting, as mentioned in the introduction, leads to enhanced service delivery. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens 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 serves to monitor performance against measurable performance objectives that are informed by service delivery targets as captured in the IDP.

Measurable objectives are defined as specific, quantifiable results or outcomes that can be achieved within a foreseeable time period. They serve as a roadmap for achieving the institutions goals and define the actual impact on the municipality rather than focussing on the level of effort that is expended. They are tools to assess the effectiveness of an institutions performance and the value added to the municipality.

The municipality must develop and approve measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's IDP. These measurable performance objectives must inform the Service Delivery and Budget Implementation Plan which must be approved by the Mayor within 28 days after the approval of the budget.

ACTION PLAN FOR IDP/PMS/BUDGET

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
JULY 2016	<ul style="list-style-type: none"> Preparation of the Draft IDP / Budget and PMS Process Plan. Engagement with District and Budget Office for alignment purposes. IDP/Budget Steering Committee IDP Process Plan tabled to Council for approval. 	<ul style="list-style-type: none"> Publicizing Approved SDBIP for inspection and information Signing of new performance contracts for Section 57 Managers 2015/16 Final S57 Managers' Performance Assessments. Submission of Q4 SDBIP Reports Quarter 4 performance report submitted to Council 	<ul style="list-style-type: none"> Preparation of the Draft IDP / Budget and PMS Process Plan. Engagement with District and Budget Office for alignment purposes. 	
AUG 2016	<ul style="list-style-type: none"> Self-assessment to identify gaps in the IDP process. Council Meeting (Budget & IDP Process Plan, Annual Performance Report, Financial Statements and Draft Annual Report) Submissions to AG, MEC and Treasury etc. (Annual Performance Report, Annual Financial Statements and Draft Annual Report) 	<ul style="list-style-type: none"> Submission of Performance Agreements to EC- Cogla Submission of the Annual Performance Reports prepared in terms of s46 of MSA 2000 to Council Quarterly Audit Committee meeting (for the last quarter of 15/16) MFMA Sect 166 & MPPR Reg. 14(3)(a) Evaluation Panel Audit Committee meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b) Submission of draft annual report (MFMA Circular 63) 	<ul style="list-style-type: none"> Establish Budget Steering Committee Establish the Budget Task Team. The team would be representative of each department. Departments will be requested to confirm nominations to the team. The BTO will be the coordinator and facilitator of the team. Review the budget processes undertaken for the previous year budget preparation, and adapt the processes to address deficiencies and develop improvements. Ensure that technical systems, procedures and standardised documentation are in place. Review allocation of powers and functions for possible changes impacting on next budget. Determine the financial position of the municipality and assess its financial capacity and potential Impacts on future strategies and budgets. Present the budget process plan to the Executive Committee for adoption 	
SEPT 2016	<ul style="list-style-type: none"> Advertisement of the IDP/Budget/PMS Process Plan Review and updating of the IDP Vision, Mission and Objectives. IDP/Budget Steering Committee Meeting Advise to resuscitate the IDP Rep Forum IDP Rep Forum meeting (22 September) 	<ul style="list-style-type: none"> Reminder to be sent to HOD's to submit their Q1 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> Budget team to make suggestions on any structural changes to the budget. The Executive Committee to establish the future directions and priority areas for the municipality to guide the budget allocations. Set parameters for the next three years based on market trends and other information available: <ul style="list-style-type: none"> Tariff increases Salary increases General expenses Repairs and Maintenance Key changes to be reflected considering all strategies and 	

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
			<ul style="list-style-type: none"> studies o Develop priority areas o Reflect on all factors that could potentially impact on future budgets ▪ Confirm existing and set new policy priorities for next three years. ▪ Determine the funding/revenue potentially available for next three years. ▪ Investigate and make recommendations regarding any possible additional sources of funding/revenue. ▪ Each Cluster Champion to submit to the finance department all funding available to the cluster for the next three years from National, Provincial (DORA) and District. <p><i>This could for example include:</i></p> <ul style="list-style-type: none"> o Infrastructure Grants o Recurrent Grants o Equitable Share o Other (e.g. Disaster Management/LED/HIV-aids, DOT) <p>NB - funding identified is to be as per local government financial year and not National financial year.</p> <ul style="list-style-type: none"> ▪ Determine the most likely financial outlook and identify need for changes to fiscal strategies. ▪ Refine funding policies including tariff structures. if necessary 	
OCT 2016	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee Meeting ▪ Process Plan and the role of the Steering Committee ▪ Develop agenda for Rep forum ▪ Priority needs assessment (Ward Community visits) ▪ Council Adopts Audited Annual Report 	<ul style="list-style-type: none"> ▪ Submission of Q1 Reports by HOD's ▪ Q1 Reports tabled to Council (for first quarter of 16/17) MPPR Reg. 14 ▪ Sect 57 Managers' quarterly informal assessments (for first quarter of 16/17 on the 14th of October) 	<ul style="list-style-type: none"> ▪ Review and update pricing strategies of National Regulators e.g. NERSA ▪ HOD's to assess the Human Resource component of the operating budget for the next year and the two following years and make submissions to the BTO. ▪ Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan (organogram) and any other future developments over the next three years that would require a provision for costing. ▪ The submissions on HR would then be considered by the Municipal Manager in consultation with each HOD, to be facilitated by the finance department. ▪ The submissions on the HR component of the budget to be provided to the HR department. 	

MONTH	ACTIVITIES		BUDGET
	IDP	PMS	
NOV 2016	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee Meeting ▪ Rep forum meeting (24th November) ▪ Budget Assumptions & Strategies ▪ Identification of priority needs. ▪ Departments to submit situation analysis and or status quo for IDP review ▪ Commencement of Departmental Strat plans (29th November) 	<ul style="list-style-type: none"> ▪ Quarterly Audit Committee meeting (for the first quarter of 16/17) MFMA Sect 166 & MPPR Reg. 14(3)(a) ▪ Annual Report Public hearings (01st to 10th November) 	<ul style="list-style-type: none"> ▪ The HR Department would then be responsible for determining the costs associated with the submissions. This information is then captured by the finance department. ▪ The BTO will then consider whether the costs are within the parameters set for salary costs and refer back to the HOD's and Municipal Manager if necessary ▪ HR to calculate the required budget amount for the Leave Gratuity Fund. ▪ Departments are to scientifically determine operating income/costs linked to the budget for the next three years under the budget categories:- <ul style="list-style-type: none"> ○ General Expenses ○ Repairs and maintenance ▪ The finance department will be instrumental in determining budget figures for:- <ul style="list-style-type: none"> ○ Insurance ○ Interest and redemption ○ Provision for bad debts ○ Interest earned ○ Contributions ○ Remissions ○ Administration charges ○ Depreciation ▪ These costs are to be submitted to the BTO for inclusion in a line item budget designed for three years. ▪ The templates will be provided by the BTO. ▪ Departments are to consider projections on past performance and adjusted for known factors, known commitments and asset maintenance requirements. ▪ Adjust plans to align with resources available and policy priorities. ▪ Departments are to submit text summaries for each cost/functional Centre on what is contained in the operating budget, what are the major changes, what are the major functions of the department are and, what the key objectives/measurable outputs are. ▪ BTO to confirm dates for Executive Committee and Council

MONTH	ACTIVITIES		BUDGET
	IDP	PMS	
DEC 2016	<ul style="list-style-type: none"> Submit Situation Analysis to Council with Community priority needs 	<ul style="list-style-type: none"> Reminder to be sent to HOD's to submit their Q2 SDBIP Reports in terms of s41 MSA Council adopts Final Annual Report and Oversight report Final Annual report and oversight report submitted to Treasury and Cogta 	<p>meetings for the next calendar year in order to ensure legislative compliance.</p> <ul style="list-style-type: none"> Departments are to submit any changes to the current year budget for inclusion in the adjustment budget. The submissions are to be consolidated by the finance department with all working papers that would have been submitted in support of the proposed budget. The BTO will keep a central file on all budget assumptions. The BTO will consolidate all submissions on the adjustments budget and prepare a Draft Adjustment Budget if necessary Continue finalisation of detailed plans and budgets. Review tariffs and charges and develop options for changes to be included in draft budget. Incorporate changes in preliminary budget to take account of consultations on tariffs. Refer to IDP process for project identification per cluster. Projects are to be linked to strategies. Submit Mid-year performance review to council by 25th January. Submit Adjustments budget, if necessary, for current year to Executive Committee.
JAN 2017	<ul style="list-style-type: none"> Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. IDP/Budget Steering Committee Meeting Technical Strategic Planning Session (30-31st January) 	<ul style="list-style-type: none"> Submission of Q2 Reports by HOD's Sect 57 Managers' formal quarterly assessments (for second quarter of 16/17 on the 16th of January) Municipal Manager submits Midterm/Midyear Report to the Mayor with recommendations (in terms s72 MFMA) Midyear Reports submitted to Treasury (provincial and National) Midterm/Midyear Report is published Review SDBIP and publicize any amendments 	<ul style="list-style-type: none"> Submit Adjustments Budget for current year to Council not later than the 28th February. Submit Adjustment Budget to National and Provincial Treasury. Finalise detailed Draft Budget in uniform formats.
FEB 2017	<ul style="list-style-type: none"> Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Institutional Strategic Planning Session (15th-17th February) IDP/Budget Steering Committee Meeting 	<ul style="list-style-type: none"> Quarterly Audit Committee meeting (for the second quarter of 15/16) MFMA Sect 166 & MPPR Reg. 14(3)(a) Review PMS policy framework 	<ul style="list-style-type: none"> Review and workshop all budget related policies The draft budget is presented to the Executive Committee. Finalise budget for next three years in prescribed format. Executive Committee adopts Budget. Mayor tables the Draft Budget to Council by 31 March.
MARCH 2017	<ul style="list-style-type: none"> IDP/Budget Steering Committee IDP Rep Forum (15th March) Submission of draft IDP and Budget 2017/18 to council Submit Strategic Session Report to Council 	<ul style="list-style-type: none"> Draft SDBIP's for 2017/18 developed and for incorporation into draft IDP 2017/18 FY Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> Council debates budget and updated IDP. Advertise Budget and IDP, inviting comments and undertake community consultation on budget and updated IDP. Receive and analyse additional inputs from community and other stakeholders. Incorporate feedback from community and other stakeholders and if required revise the budget previously tabled to Council.
APR 2017	<ul style="list-style-type: none"> Publicize Draft IDP and Budget (Invite Local Community to make written comments in respect of the IDP and Budget) IDP/Budget Steering Committee Public participation process launched through series of public hearings on the IDP and Budget (06th-11th April) Review written comments in respect of the Budget 	<ul style="list-style-type: none"> Submission of Q3 Reports by HOD's Sect 57 Managers' informal quarterly assessments (for third quarter of 16/17 on the 14th of April) Quarter 3 performance report submitted to Council 	

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
	and IDP			
MAY 2017	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee Rep forum meeting (16th May) ▪ Adoption of the 2017/18 Budget and IDP by Council. 	<ul style="list-style-type: none"> ▪ Community input into organization KPIs and targets 	<ul style="list-style-type: none"> ▪ Municipal council approves budget, tariffs and revised budget related policies and IDP by 30 May. (Budget for current year and notes budget projections for the two years thereafter) 	
JUNE 2017	<ul style="list-style-type: none"> ▪ Publicize IDP and Budget ▪ Submission of the Final IDP to EC- Cogta, Treasury (National and Provincial) 	<ul style="list-style-type: none"> • Reminder to be sent to HOD's to submit their Q4 SDBIP Reports in terms of s41 MSA ▪ Submission of final SDBIP to The Honorable Mayor for approval s53 MFMA 	<ul style="list-style-type: none"> ▪ Publish budget, tariffs and IDP for 2017/2018. ▪ Complete and submit the returns required by National Treasury. ▪ Forward an electronic and hard copy of Budget to Provincial and National Treasury and relevant provincial departments. ▪ Print the budget for public and internal distribution. 	