THE PROCESS PLAN 2016/17 FOR THE NEWCASTLE INTEGRATED DEVELOPMENT PLAN, PMS AND BUDGET.

# SECTION ONE: INTRODUCTION & BACKGROUND.

1. **INTRODUCTION.**

In order to ensure certain minimum quality standards of the Integrated Development Plan (IDP), and a proper coordination between and within spheres of government, the preparation of the Process Plan has been referenced from the Municipal Systems Act (Act No. 32 of 2000). The preparation of a Process Plan, which is, in essence, the IDP Process set out in writing, requires the adoption by Council. This plan has to include the following:-

* A programme specifying the time frames for the different planning steps;
* Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process;
* An indication of the organisational arrangements for the IDP process;
* Binding plans and planning requirements, i.e. policy and legislation; and
* Mechanisms and procedures for vertical and horizontal alignment.

1. **LEGAL CONTEXT.**
   1. **THE INTEGRATED DEVELOPMENT PLAN.**
      1. Chapter 5, Section 25(1) of the Municipal Systems Act No. 32 of 2000 indicates that:

*“Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which:-*

1. *Links integrates and coordinates plans and takes into account proposals for the development of the municipality;*
2. *Aligns the resources and capacity of the municipality with the implementation of the plan;*
3. *Complies with the provisions of this Chapter; and*
4. *Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.”*
   * 1. In terms of the core components of integrated development plans, Chapter 5, Section 26 of the Municipal Systems Act (Act No. 32 of 2000) indicates that:

*“An integrated development plan must reflect:-*

1. *The municipal council’s vision for the long term development of the municipality with special emphasis on the municipality’s most critical development and internal transformation needs;*
2. *An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;*
3. *The council’s development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;*
4. *The council’s development strategies which must be aligned with any national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;*
5. *A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;*
6. *The council’s operational strategies;*
7. *Applicable disaster management plans;*
8. *A financial plan, which must include a budget projection for at least the next three years; and*
9. *The key performance indicators and performance targets determined in terms of Section 41.”*
   1. **THE ANNUAL BUDGET.**
      1. The Annual Budget and the IDP are inseparably linked to one another, something that has been formalised through the promulgation of the Municipal Finance Management Act (Act No. 56 of 2003). Chapter 4, Section 21(1) of the Municipal Finance Management Act (MFMA) states that:-

*“The Mayor of a municipality must:-*

* 1. *At least 10 months before the start of the budget year, table in the Municipal Council a time schedule outlining key deadlines for:*
     1. *The preparation, tabling and approval of the annual budget;*
     2. *The annual review of:*

1. *The integrated development plan in terms of Section 34 of the Municipal Systems Act; and*
2. *The budget related policies.*
   * 1. *The tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and*
     2. *The consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).*
3. **ALIGNMENT OF THE IDP, BUDGET AND PERFORMANCE MANAGEMENT PROCESSES.**
   1. Every attempt has been made in this Process Plan to align the IDP and Budget preparation process, and the Performance Management System (PMS) review. The linkages of the three processes are summarised in the following diagram:-

**FIGURE 1: THE NEWCASTLE MUNICIPALITY IDP, BUDGET AND PMS LINKAGES.**



Newcastle IDP Process Plan

1. **KEY ELEMENTS TO BE ADDRESSED IN THIS PROCESS.**

The following is a summary of the main activities to be undertaken during this IDP review preparation process:-

* 1. **AIMS AND OBJECTIVES OF THE IDP IN TERMS OF COUNCIL’S PRIORITIES.**

The primary aim of the proposed IDP initiative is to review the IDP in light of the progress made regarding the previous IDP implementation, changes in development trends, new information, etc. Its objectives can be summarized as follows:-

* To update the status quo report on the basis of new information e.g. backlogs figures from WSDP, LED Strategy, Housing Sector Plan, Integrated Waste Management Plan etc. This may include sector plans prepared by either Amajuba District Municipality or Newcastle Municipality;
* To review and confirm the objectives and strategies in line with Council and national revised targets, and alignment with the Performance Management System;
* To review/confirm a priority project list reflecting information required for the Medium-Term Expenditure Framework and Financial Plan;
* Confirmation of the Key Issues, Vision and the Mission Statement;
* To engage stakeholders and role-players in the IDP process and to integrate their concerns and development aspirations to the development agenda of the Municipality; and
* To develop ward-based priority issues in-line with the Sukuma Sakhe Program and objectives.
* To review the Financial Viability KPA in line with the best practice model.

The IDP should form the basis for good governance, efficient management and development. It should embrace the notion of sustainability and promote integrated development and planning.

* 1. **INCOPORATION OF COMMENTS FROM THE EXTERNAL ROLE PLAYERS/ LEGISLATIVE REQUIREMENTS.**
* Incorporate comments from the MEC for Co-Operative Governance and Traditional Affairs (COGTA);
* Incorporate comments from the Auditor General in respect of the previous audit report;
* Incorporation of comments from external organisations i.e. Rate Payers Association.
* Incorporate comments from the Internal Audit Committee if there are any; and
* Alignment of the IDP with both the Provincial and National policies and programmes (i.e. PGDS, NDP, NSDP, N-KPA).

1. **ANALYSIS OF THE IDP GAPS TO BE INCLUDED IN THIS ROUND OF THE IDP.**

The following activities will be undertaken as part of the analysis phase of the IDP:-

* Review of documents outlining the gaps that have been identified by various role players. Specific documents to be reviewed include amongst others, the existing IDP for Newcastle Municipality, existing sector plans, and the spatial development frameworks of the neighbouring municipalities, the District IDP, and all applicable provincial or national plans, legislation and policies.
* Focused interviews: Emerging trends and issues identified through the document review and sector department processes will be confirmed, and additional information solicited through focused interviews. This will specifically target officials and/or experts directly involved in development planning within the Newcastle area. A focused session will also be held with the sector departments and local business community to discuss the role they can play in the IDP and economic development of the area.
* Synthesis of information: This will result in the identification of new development trends and issues, need for reinforcements, and shortcomings in the existing development strategies and need for revised strategies.
* Addressing areas requiring additional attention in terms of legislative requirements not addressed during the previous years of the IDP Review Process (i.e. MFMA).
  1. **REVIEW OF THE NEWCASTLE MUNICIPALITY FINANCIAL PLAN.**
* To provide an overview of the 3-year municipal budget, as well as analysis and explanation thereof.
* To provide insight on the allocated funds for operations and maintenance costs of municipal fixed assets.
* To give a reflection on the sound financial strategies of the Newcastle Municipality (Revenue enhancement strategies and Expenditure management plan).
* To give an overview of the projects with committed funding, which are not on the municipal budget but from other service providers (MTEF allocations inclusive of sector departments allocations/projects).
  1. **NEWCASTLE MUNICIPALITY’S BACK TO BASICS PROGRAMME.**
* The Back to Basics Programme is a country wide initiative aimed towards dealing with factors undermining Local Government and to foster efforts that support, educate and where needed, enforce implementation.
* Achieving South Africa’s transformation agenda requires functional municipalities and a capable machinery at a local level that has the ability to create safe and healthy economically-sustainable areas where citizens and people can work, live and socialize.
* The Back to Basics Programme is premised on the recent review of all the 278 municipalities within South Africa which distinguishes between three groups of municipalities namely the Top Group, Middle Group, and the Lower Group.
* The goal of the Back to Basics Programme is to improve the functioning of municipalities in order to effectively render meaningful basic services to communities by getting the basics right.
* It also attempts to address the challenges that are faced by Local Government through strengthening municipalities and instilling a sense of urgency towards improving the lives of citizens.
* In terms of the programme, clear benchmarks are set and these are directed towards increasing performance in Government’s effort to ensure that all municipalities perform these basic functions without compromise.
* The Department of Cooperative Governance has developed a set of indicators to be reported on with the frequency being monthly and these will function thus to measure whether Newcastle Municipality is performing in terms of the basics and these are as follows:-
  + Putting people first;
  + Delivering basic services;
  + Good governance;
  + Sound financial management and
  + Building capable local government services.
* The above entails a summary Newcastle Municipality’s Back to Basics Programme of which the Council will commit to in order to address pressing municipal issues.
  1. **REVIEW OF THE PROJECTS REPORT.**
* This activity will focus mainly on the clustering of projects in a manner that promotes integrated planning among line function departments of the municipality and different service providers.
* It will also seek to shift away from a wish list of projects to a clear categorization of projects according to the availability of funds and priorities of service providers.
* Each Ward Councilor and Ward Committee’s will be asked to identify ward-based priorities using a pre-determined project identification and prioritization criteria. A municipal list of priority projects will be developed in a workshop with the municipal officials and Councilors.

1. **COMPOSITION/COMPONENTS OF THE IDP REVIEW.**

Section 26 of the Municipal Systems Act (Act No. 32 of 2000) prescribes the key components of an IDP. In keeping consistency with this section of the Act, Newcastle Municipality’s IDP will be presented in four main sections as follows:-



* The Executive Summary which gives the municipal overview and developmental challenges.
* An outline of the key development issues and trends based on an analysis of the current level of development (Situational Analysis).
* A Strategic Framework which outlines Council’s long term vision with specific emphasis on the municipality’s most critical development objectives, action plans and strategies.
* A Capital Program including a one year program, three year program aligned to the Medium Term Expenditure Framework and the five year plan.
* An Implementation Framework which includes sector plans particularly the Financial Plan, and the Spatial Development Framework.

1. **HORIZONTAL AND VERTICAL ALIGNMENT.**
   1. **FRAMEWORK PLAN.**

In terms of Chapter 5, Section 26 of the Municipal Systems Act 9Act No. 32 of 2000), District Municipalities are required to prepare and adopt a Framework Plan, which indicates how the District and Local Municipalities will align their IDP’s. The Framework Plan provides the linkage and binding relationships to be established between the district and local municipalities in the region and in so doing, proper consultation, coordination and alignment of the review process of the district municipality and various local municipalities can be maintained.

The Amajuba District Municipality has established the IDP Coordination Committee which is also attended by CoGTA to provide the strategic direction of the IDPs. This IDP preparation process will also use this forum for vertical and horizontal alignment with other family of municipalities.

As a result, the Newcastle IDP will reflect vertical and horizontal integration of development priorities such that it becomes a document that other development agencies are comfortable with and can use to deliver on their mandates. The IDP preparation process will consider these documents with a particular focus on the extent to which we meet these requirements.

* 1. **ALIGNMENT WITH SECTOR DEPARTMENTS.**

Alignment with Sector Departments is essential in order for the Newcastle Municipality’s priorities to be reflected in their project prioritisation process, and also for the projects to be reflected in the IDP documentation. It is anticipated that one Service Provider Forum (SPF’s) will be held during this round of the new IDP review preparation as well as a series of one-on-one meetings with key departments and relevant parastatals. There is a proposed IGR Technical Task Team which also addresses issues which are raised during the Operation Sukuma Sakhe meetings.

# SECTION TWO: ORGANISATIONAL ARRANGEMENTS.

# IDP STEERING COMMITTEE.

* 1. **INSTITUTIONAL ARRANGEMENTS.**

The Management Committee (MANCO) will be used as an IDP Steering Committee (IDP-SC) until such time the IDP Steering Committee (SC) has been established if necessary. The MANCO acts as a support to the IDP Representative Forum, making technical decisions and inputs to the Municipal Manager and Director IDP. The IDP-SC, as well as the Representative Forum will be reconstituted for the IDP preparation process. Afterwards, the IDP public participation process will be extended to Ward Committees in order to enhance participation, involvement and deepening of democracy.

Institutional Arrangements:-

* The MANCO is chaired by the Municipal Manager and in his absence, by any Executive Director nominated by the Municipal Manager.
* Secretariat will be provided by the Executive Support in the Office of the Municipal Manager.
* Members of the IDP-SC will comprise of the Executive Directors and relevant managers of the Newcastle Municipality, the staff responsible for the preparation of the IDP, PMS and Budget and any other members as the Municipal Manager may deem fit.
  1. **TERMS OF REFERENCE FOR THE IDP STEERING COMMITTEE.**

The terms of reference for the IDP-SC are as follows:-

* Provide terms of reference for the various planning activities associated with the IDP;
* Commission research studies as may be required;
* Considers and comments on:-
  + Inputs from sub-committee/s, study teams and consultants;
  + Inputs from provincial sector departments and support providers; and
  + IDP RF members.
* Processes, summarise and document outputs;
* Makes content and technical recommendations;
* Prepare, facilitate and documents meetings; and
* Monitoring and evaluation of the performance.
  1. **THE DIRECTOR IDP AND RESPONSIBILITIES.**

Amongst other things, the following responsibilities have been allocated to the Director IDP for the IDP Process:

* To ensure that the Process Plan is finalised and adopted by Council;
* To adjust the IDP according to the proposals of the MEC;
* To identify additional role-players to sit on the IDP Representative Forum;
* To ensure the continuous participation of role players;
* To monitor the participation of role players;
* To ensure appropriate procedures are followed;
* To ensure documentation is prepared properly;
* To carry out the day-to-day management of the IDP process;
* To respond to comments and enquiries;
* To ensure alignment of the IDP with other IDP’s within the District Municipality;
* To co-ordinate the inclusion of Sector Plans into the IDP documentation;
* To co-ordinate the inclusion of the Performance Management System (PMS) into the IDP; and
* To submit the reviewed IDP to the relevant authorities.

# 9.0. IDP REPRESENTATIVE FORUM.

## 9.1. COMPOSITION OF THE IDP REPRESENTATIVE FORUM.

The IDP Representative Forum (IDP RF) will be reconstituted as part of the preparation phase of the IDP and will continue its functions throughout the annual IDP Review processes. The proposed composition of the IDP RF could be as follows:-

* EXCO members and Councillors;
* Traditional leaders;
* Ward Committee members;
* Senior Municipal Officials;
* Stakeholder representatives of organised groups;
* Advocates of unorganised groups;
* Resource persons;
* Other community representatives;
* National and Provincial Departments regional representatives;
* NGO’s; and Business groups;
* Various Unions; and
* Parastatal organisations.
  1. **TERMS OF REFERENCE FOR THE IDP REPRESENTATIVE FORUM**

The terms of reference for the IDP RF are as follows:-

* Represent the interest of the municipality’s constituency in the IDP process;
* Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government;
* Ensure communication between all the stakeholder representatives inclusive of municipal government; and
* Monitor the performance of the planning and implementation process of the IDP.

# SECTION THREE: ROLES, RESPONSIBILITIES & KEY ACTIVITIES.

# 10.0. ROLE PLAYERS.

* 1. The Municipality will confirm the identification of the following role players in the IDP Review Process by removing/adding to their list of stakeholders in the IDP Process:-

**Internal Role-players.**

* Council and the Executive Committee;
* Nominated Councillors;
* Mayor;
* Municipal officials;
* Municipal Manager;
* MANCO and Extended MANCO officials; and
* IDP, PMS and Budget Units.

###### External Role-players.

* Auditor General (AG);
* Relevant Government Departments;
* Planning professionals/facilitators;
* Municipal officials; and
* Representative Forum/Civil Society;
* Business community;
* Interest Groups; and
* Rate Payers associations and Chamber of Commerce if there are any.
* Traditional Authorities.

# KEY ACTIVITIES.

Below is a summary of key activity dates that will take place in terms of the IDP, Budget and PMS for the 2016/17 IDP Process:-

**CYCLE FOR 2015/16 IDP INCLUDING THE SDF, PMS AND BUDGET LINKAGES.**

| **MONTH** |  | **ACTIVITIES** | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **IDP** | **SDF** | **PMS** | **BUDGET** | | |
| **JULY 2015** | * Preparation of the Draft IDP/Budget and PMS Process Plan. * Engagement with the Budget Office, PMS and the Town Planning Directorate for alignment purposes. * Tabling of the Draft IDP Process Plan to MANCO for comments. * Submission of Draft IDP Process Plan to COGTA. | * Compilation of the process plan in line with the approved SDBIP for 2015/16 financial year. * Formation of the PSC. * Desktop analysis. | * Submission of performance reports for previous quarter/month by the 10th. * Signing of new performance contracts for Section 54 and 56/57 Managers and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA). * Advertise approved SDBIP 2015/16. * Roll out of the approved SDBIP. * Draft Performance Reports 2014/15 to Internal Audit within 25 days of end of quarter departments. | **Mayor and Council / Entity Board** | **Administration - Municipality and Entity** | **Budget Review Activities** |
|  | * Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process   **MFMA s 53**   * Planning includes review of the previous years’ budget process and completion of the Budget Evaluation Checklist | * Accounting officers and senior officials of municipality and entities begin planning for next three-year budget   **MFMA s 68, 77**   * Accounting officers and senior officials of municipality and entities review options and contracts for service delivery   **MSA s 76-81** | * Approve and announce new budget schedule and set up committees and forums. * Consultation on performance and changing needs. |
| **AUGUST 2015** | * Advertising of the Draft Process Plan for public comments in line with the legislative requirements (MSA No. 32 of 2000). * Final IDP Process Plan tabled at EXCO and Council for approval. * Submission of Final Process Plan to COGTA * Advertisement of the Final IDP Process Plan in order to meet AG audit requirements. * IDP preparation process initiated. * Review of comments received on the 2015/16 Final IDP Review document. * Tabling of comments to relevant line department for feedback and provision of information. * Self-assessment to identify gaps in the IDP process. * Integration of new information from adopted Sector Plans into the Draft IDP Review document. * Initiation of new sector plans into the Draft IDP. * Review and updating of the IDP Vision, Mission and Objectives in light of the new focus of Council. | * Review of information from sector plans – on-going till September 2015 * Update Section Three (Situational Analysis) of the current SDF as per the requirements of SPLUMA, focusing on the restructuring elements, population growth and demand estimates associated for the next five years. * Updating of environmental information – on-going till December 2015. | * Submission of performance reports for previous month by the 10th. * Quarterly Audit Committee meeting   (for the last quarter of 12/16) MFMA Sect 166 & MPPR Reg. 14(3)(a) (Annual Performance Report and Draft Annual Report 2014/15).   * Evaluation Panel meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b). * Submission of Annual Performance Report to Auditor-General. * Submission of Draft Annual Report to Auditor-General * Monitoring and Evaluation session on capital program. * Monthly progress report on performance to EXCO (Capital). | * Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year.   **MFMA s 21,22, 23;**  **MSA s 34, Ch 4 as amended**   * Mayor establishes committees and consultation forums for the budget process | * Accounting Officer to submit AFS to Auditor-General [Due by 31 August, **MFMA Sec 126(1)(a)**] * IDP Review Process. | * Consultation on performance and changing needs. * Review performance and financial position. * Review external mechanisms. * Start Planning for next three years. |
| **SEPT 2015** | * Integration of new information from the Spatial Development Framework. * Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. * Attend to issues identified in line with the Newcastle Municipality’s Back to Basics Programme. * Continuous: Incorporation of responses and information received from departments in line with the tabled comments. | * Local Area Development Planning (LADP). * Capturing of LADPs as an extension of the SDF – on-going until March 2016. * Finalise sector plan alignment. * Finalise desktop analysis. * 1st PSC Meeting. | * Submission of performance reports for previous quarter/month by 10th. * Monitoring and Evaluation session on capital program. * Monthly progress report on performance to EXCO (Capital). * Circulate Quarter 1 reporting templates to departments. | * Council through the IDP review 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 | * Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives * Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc.) | * Update policies, priorities and objectives. * Determine revenue projections and policies. |
| **OCT. 2015** | * Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. * Continuous: Incorporation of responses and information received from departments in line with the tabled comments. | * Review of Boundaries of nodes and corridors. * Presentation to planning forum. * District and cross-border alignment on – on-going till December 2015. | * Submission of performance reports for previous quarter/month by 10th. * Departments to submit Q1 performance reports with Portfolio of Evidence. * Sect 57 Managers’ quarterly assessments (for first quarter of 15/16). * Quarterly progress report on performance to EXCO. * Submission of Q1 Performance Report to Internal Audit within 25 days of end of quarter. * Audit Committee Meeting to consider Q1 Performance Report. |  | * Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials   **MFMA s 35, 36, 42; MTBPS** | * Determine revenue projections and policies. * Engagement with sector departments, share and evaluate plans, national policies, MTBPS. * Draft initial allocations to functions. * Draft initial changes to IDP. |
| **NOV. 2015** | * First IDP RF Meeting to present the Process Plan. * Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. * Identification of IDP priority projects. * Project alignment within the municipal departments. * Conduct IDP/Budget strategic workshop. * Continuous: Incorporation of responses and information received from departments in line with the tabled comments. | * 2nd PSC Meeting. * Incorporation of the Scheme, capturing of Scheme information as required by SPLUMA. | * Submission of performance reports for previous quarter/month by 10th. * Develop PMS Templates for 2016/17 based on review of IDP Strategies. * Quarterly progress report on performance to EXCO. * Final Draft of Annual Report circulated for internal comment (To include AG Report). |  | * Accounting officer reviews and drafts initial changes to IDP   **MSA s 34**   * Auditor-General to return audit report [Due by 30 November, **MFMA 126(4)**] | * Draft initial changes to IDP. * Consolidation of budgets and plans. * Executive determines strategic choices for next three years. |
| **DEC. 2015** | * Departments to comment on the reviewed Municipal Strategies, Objectives, KPA’s, KPI’s and targets. * Continuous: Identification of IDP priority projects. * Project alignment between the DM and LM’s. * Continuous: Incorporation of responses and information received from departments in line with the tabled comments. | * Finalization of the district and cross border alignment process. * Finalization of environmental assessment and alignment. | * Submission of performance reports for previous quarter/month by 10th. * Compile annual report for 13/14 (MFMA Sect 121) for tabling Council in January. * Quarterly progress report on performance to EXCO. * Circulate Q2/Mid-Year Performance Assessment 2015/16 reporting templates to departments. | * Council finalises tariff (rates and service charges) policies for next financial year   **MSA s 74, 75** | * Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous years performance as per audited financial statements | * Executive determines strategic choices for next three years. * Finalise tariff policies. |
| **JAN. 2016** | * Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. * Continuous: Identification of IDP priority projects. * Continuous: Incorporation of responses and information received from departments in line with the tabled comments. | * Commence with the sector department alignment process – on-going till March 2016. | * Submission of performance reports for previous quarter/month by 10th. * Departments to submit Q2/Mid-year performance information by 10 Jan 2016. * Submit Mid-year performance report to Internal Audit within 25 days of end of quarter. * Audit Committee Meeting to consider Q2/Mid-Year Report. * Submit mid-year performance assessment to Mayor by no later than 25th January 2016. * Mayor tables annual report for 13/14 MFMA Sect 127(2) to full Council by 31 Jan 2016. | * Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year   **MFMA s 87(1)** | * Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January)   **MFMA s 36** | * Prepare detailed budgets and plans for the next three years. |
| **FEB. 2016** | * Continuous Review of Municipal Strategies, Objectives, KPA’s, KPI’s and targets. * Continuous: Identification of IDP priority projects. * Packaging of projects to inform the budget (MTEF). * Complete the project finalization process. * Continuous: Incorporation of responses and information received from departments in line with the tabled comments. | * Alignment of the Draft Budget and Capital Investment Framework with the SDF. * Finalization of the Capital Investment Framework and Implementation Plan. | * Submission of performance reports for previous quarter/month by 10th. * Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a). * Submit annual report to AG, Provincial & CoGTA (MFMA Sect   127).   * Sect 57 Managers’ quarterly assessments (for second quarter of 15/16). * Draft PMS 2016/17 for internal consultation and budget input from IDP and budget. | * Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity   **MFMA s 87(2)** | * Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account 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 * Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year   **MFMA s 37(2)** | * Prepare detailed budgets and plans for the next three years. * Executive adopts budget and plans and changes to IDP. |
| **MARCH 2016** | * Second IDP RF Meeting * Finalization of Municipal Strategies, Objectives, KPA’s, KPI’s and targets. * Initiate preparation of Capital Investment Plan. * Initiate preparation of Financial Plan. * Conclusion of Sector Plans initiated in the 2015/16 financial year and integration into the Draft IDP Review document. * Submission of the Draft IDP document to COGTA. | * Finalization of Local Area Development Planning. * 3rd PSC Meeting. | * Council to consider and adopt an oversight report [Due by 31 March 2016 **MFMA Sec 129(1)**]. * Set performance objectives for revenue for each budget vote (MFMA Sect 17). * Quarterly progress report on performance to EXCO. * Finalise Draft PMS (Including SDBIPS) 2016/17 to be included in IDP and Budget. * Circulate Q3 performance reporting template to departments. | * Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of month   **MFMA s 87(2)**   * Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year   **MFMA s 16, 22, 23, 87; MSA s 34** | * Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed   **MFMA s 22 & 37; MSA Ch 4 as amended**   * Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March   **MFMA s 42** | * Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the start of the financial year. |
| **APRIL 2016** | * Advertising of the Draft IDP document for public comments (21 days). * Incorporation of DORA information into the Final IDP document. * Prepare departmental business plans linked to the IDP strategies, objectives, KPI’s and targets. * Identify departmental allocations from Municipality’s Own Funds. * Consultation with Portfolio Councillors to identify projects to which Own Funds will be allocated to. * Preparation of Capital Investment Plan. * Preparation of Financial Plan. * Conclusion of Sector Plans initiated within the 2015/16 financial year and integration into the Final IDP Review document. * Public participation process launched through a series of public hearings on the IDP and Budget. * Continuous: Preparation of the departmental business plans linked to the IDP strategies, objectives, KPI’s and targets. | * Finalization of the sector department alignment process. * Advertisement of the Draft SDF in the press for public comments. * Finalize Capital Investment Framework. | * Public Consultation on Draft PMS as part of IDP/Budget roadshows. * Departments to submit Q3 performance information by 10th of April. * Quarterly progress report on performance to EXCO. * Publicise Oversight Report [Due by April **MFMA Sec 129(3)**]. * Submit Annual Report to Provincial Legislature/MEC Local Government [Due by April **MFMA Sec 132(2)**]. * Quarterly Audit Committee meeting (for third quarter of 12/13) MFMA Sect 166 & MPPR Reg. 14(3)(a). * Public Consultation process on Draft PMS together with IDP and Budget. | * Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc. * **MFMA s 21** * Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and 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 and plans at least 30 days before start of budget year.   **MFMA s 23, 24; MSA Ch 4 as amended**   * Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality   **MFMA s 87** | * Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year * Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature | * Consultation with National and Provincial Treasuries and finalise sector plans, water and sanitation, electricity, etc. * Public hearings on the Budget, Council Debate on Budget and Plans. * Public hearings on the Budget, Council Debate on Budget and Plans. * Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP. |
| **MAY 2016**  **JUNE 2016** | * Third IDP RF meeting to consider the amendments to the Final IDP document. * EXCO recommends adoption of the Final IDP to Council. * Council workshop on the IDP. * Adoption of the Final IDP by Council. * Submission of Final IDP to COGTA. * Advertisement of the Final IDP document in line with the legislative requirement (MSA No. 32 of 2000). | * IDP RF meeting to deliberate on changes to the SDF. * EXCO recommends adoption of the SDF with IDP to Council. * Adoption of the SDF by Council. | * Community input into organisation KPIs and targets. * Departments to revise PMS based on community input if applicable. * S57 Managers’ Quarterly Performance Assessments. * Quarterly progress report on performance to EXCO. * Approval of PMS 2016/17 with IDP and Budget. * Quarterly progress report on performance to EXCO. * Circulate templates for Q4/Annual Performance Report and Annual Report 2015/16. | * Council must 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 30 days before start of budget year   **MFMA s 16, 24, 26, 53**  Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with sect 57(2) of the MSA. 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)** * Council must finalise a system of delegations. * **MFMA s 59, 79, 82; MSA s 59-65** | * Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA.   **MFMA s 69; MSA s 57**   * Accounting officers of municipality and entities publishes adopted budget and plans   **MFMA s 75, 87** | * Publish budget and plans. * Finalise performance contracts and delegation. |

# SECTION FOUR: MECHANISMS AND PROCEDURES FOR PARTICIPATION.

# 10.0 FUNCTIONS AND CONTEXT PUBLIC PARTICIPATION.

Four major functions can be aligned with the public participation process namely:

* Needs identification and prioritization;
* Identification of appropriateness of proposed solutions;
* Community ownership and buy-in; and
* Community Empowerment.

# 10.1 MECHANISMS FOR PARTICIPATION.

Public participation is important to determine the exact needs that exist in the communities in relation to the developmental priorities during the public meetings and information gathering. The Newcastle Municipality will be utilizing the following mechanisms for public participation when developing its IDP.

1. **IDP Representative Forum (IDP RF):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, AmaKhosi, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs), Organized Business, Faith Organizations and organized agriculture.
2. **Media:** Local newspapers will be used to inform the community of the progress of the IDP and further due meetings including the IDPRF and community road shows.
3. **Radio Slots:** The Newcastle Community radio station will be used to make public announcements where necessary.
4. **The Newcastle Website:** The Newcastle Municipality’s website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for communities, general stakeholders and service providers to download.
5. **Ward Committees:** The Newcastle Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery and deepen democracy. Ward Committees will be represented in the IDPRF and their input is always considered. They will also be used to disseminate information about the developmental agenda of the municipality.
6. **IDP/ Budget Road Shows:** The Newcastle Municipality will be hosting its community road shows through a ward committee system to publicize the Draft IDP and Budget during April and May 2014. The venues for these meetings will be publicized at the IDPRF, public places as well as through the local print media.
7. **Issuing of Communication Material:** Communication material in the form of information sheets will be issued thus to inform the community of the progress of the IDP and any other related meetings. The communication material shall be translated into the languages of our communities, particularly IsiZulu, in order to encourage public participation even further.

Kindly note that Newcastle Municipality commits itself to ensuring effective public participation, therefore, all public notices will be given both in English and IsiZulu.

# 11.0 PROCEDURES/PROCESS FOR PARTICIPATION.

## 11.1 IDP PROCESS PLAN – ACTIVITIES AND TIMEFRAMES.

|  |  |  |
| --- | --- | --- |
| **EVENTS** | **DATES** | **RESPONSIBILITY** |
| Provincial IDP Stakeholders meeting: Confirm assessment process in April 2015 | 13 February 2015 | Director IDP |
| Submission of Draft IDP Review (2015/16) to COGTA | 27 March 2015 | Director IDP |
| Decentralised Forums and Draft IDP Assessments. | 07 – 24 April 2015 | Director IDP |
| IDP Feedback Session | 13 May 2015 | Director IDP |
| Submission of Final IDP to COGTA. | 10 June 2015 | Director IDP |
| IDPs submit to COGTA/MEC Panel. | 10 July 2015 | Director IDP |
| Joint meeting for IDP, Budget and PMS for alignment purposes. | 31 July 2015 | Director IDP |
| Submission of the Draft Process Plan to CoGTA. | 31 July 2015 | Director IDP |
| MANCO to deliberate on Final IDP Process Plan. | 07 August 2015 | Director IDP |
| Final Process Plan to EXCO for approval. | 19 August 2015 | Director IDP |
| Sustainable Living Exhibition | 22 – 23 August 2015 |  |
| Advertisement of the Final IDP Process Plan to members of the public. | 29 August 2015 | Director IDP |
| IDP Indaba | 18 September 2015 | Director IDP |
| Alignment Sessions | 03 – 25 November 2015 | Director IDP |
| First IDP Representative Forum   * Presentation of the Process Plan. * The provision of feedback on the *status quo* and strategic framework components of the IDP. * Deliberation on the comments received on the Final IDP (2015/16). * Census 2011 comprehensive analysis. | 28 November 2015 | Director IDP |
| IDP Stakeholders meeting | February 2016 | Director IDP |
| Obtain Sector Departmental Input. | 06 February 2016 | Director IDP |
| IDP Progress Report to MANCO. | 18 February 2016 | Director IDP |
| Strategic Workshop for IDP/Budget. | 23 – 26 February 2016 | Director IDP |
| Local Government Elections | March 2016 | Director IDP |
| Second IDP Representative Forum   * Presentation of the draft IDP and Budget and PMS ahead of the public participation process. * Prioritized Projects and Programs. * Sector Plans Progress and finalization i.e. WSDP & Disaster. * Draft PMS 2015/16. | 20 March 2016 | Director IDP |
| EXCO/Council approval of draft IDP. | 24 March 2016 | Director IDP |
| Submission of draft IDP to COGTA. | 27 March 2016 | Director IDP |
| Provincial IDPs Assessment week. | 07 - 29 April 2016 | Director IDP |
| IDP/ Budget/PMS Road-shows. | 06 April 2015 – 03 May 2016 | Director IDP |
| 21 Days Advertisement Period for public comments. | April - May 2016 | Director IDP |
| MANCO to deliberate on the Final Draft IDP document. | 18 May 2016 | Director IDP |
| Final IDP Representative Forum for adoption.   * Feedback on comments received during the 21 day advert period on the Budget and IDP as well as the public participation process and suggested ways of addressing these issues. * Recommendations by the IDP RF for adoption of the IDP by Council. | 21 May 2016 | Director IDP |
| EXCO to recommend IDP approval by Council. | 24 June 2016 | Director IDP |
| Special Council meeting to adopt the final IDP document for the 2016/17 financial year. | 24 June 2016 | Director IDP |

**11.3 SDF PROCESS PLAN: ACTIVITIES AND TIMEFRAME.**

|  |  |
| --- | --- |
|  | **SDF REVIEW PROCESS PLAN 2016/2017** |
| **Month** | **Activity** |
| July 2015 | * Compilation of process plan in line with the approved SDBIP’s for 2015/2016 Financial year. * Formation of the PSC * Desktop Analysis |
| August 2015 | * Review of information from sector plans- on going till September 2015 * Update Section Three of the current SDF as per the requirements of SPLUMA, focusing on the restructuring elements, population growth and demand estimates associated for the next five years. * Updating environmental information - on going till December 2015 |
| Sep 2015 | * Local Area Development Planning * Capturing of LADP’s as extension of SDF on going until March 2016 * Finalise Sector Plan alignment * Finalise Desktop analysis * 1st PSC Meeting |
| Oct 2015 | * Review of Boundaries of nodes and corridors * Presentation to planning forum. * District and cross border alignment on going till December 2015. |
| Nov 2015 | * 2nd PSC Meeting. * Incorporation of Scheme, capturing of Scheme information as required by SPLUMA |
| Dec 2015 | * Finalization of district and cross border alignment process. * Finalization of environmental assessment and alignment. |
| Jan 2016 | * Commence with sector department alignment process on going till March 2016 |
| Feb 2016 | * Alignment of the draft budget and Capital Investment Framework with the SDF. * Review of Capital Investment Framework and implementation plan. |
| Mar 2016 | * Finalization of Local Area Development Planning. * 3rd PSC meeting. |
| Apr 2016 | * Finalization of sector department alignment process. * Advertisement of draft SDF in press for public comments. * Finalise capital investment Framework. |
| May 2016 | * IDP RF meeting to deliberate the changes to the SDF. * EXCO recommends adoption of the SDF with IDP to Council. * Adoption of the SDF by Council. |

**11.4. KEY BUDGET DATES.**

**11.3.1 BUDGET PROCESS PLAN FOR 2015/2016 MULTI-TERM BUDGET.**

| **DATE** | **ACTIVITY** | **RESPONSIBILITY** |
| --- | --- | --- |
| **August 2015** | * 10 months before start of the budget year: Tabling of time schedule outlining key deadlines to the municipal Council as per MFMA S21(b). * Advertising of budget and IDP time schedule. | **Mayor/MM** |
| **September 2015** | Conclude initial consultation and review policies, confirm priorities, identify other financial and non-financial parameters including government allocations, and the financial outlook in order to needs and to review fiscal strategies. | **MM/CFO** |
| **October 2015** | Meeting with Mayor, Exco and Manco to discuss the strategic direction and objectives for the 2015/16 fiscal strategies. | **MM/BTO** |
| **October 2015** | **Budget Framework.**  Meeting the SED’s to discuss the budget preparation process of the budget framework to provide parameters and request budget inputs for 2015/2016. | **BTO** |
| **November 2015** | **Completion of Salary Budget and assess impact on tariffs and charges.** | **BTO/HR** |
| **December 2015** | * Finalize inputs from bulk resource providers (NERSA, uThukela) and agree on proposed price increase. * Submit all Budget related policies for review. * Prepare guidelines and template for compilation of draft budget three year operational and capital budget. | **BTO** |
| **January 2016** | * Finalize detailed operational and capital budget, finalize all budget related policies. * Review the proposed National and Provincial allocations for incorporation into the draft budget. * Report back on progress with Budget inputs. | **BTO/MANCO** |
| **February 2016** | * **Submission of Budget Inputs:**   Final date for SED’s to submit departmental budget inputs.   * Proposed Capital Projects from IDP. * Accounting Officer finalises and submits to the Mayor the proposed budgets and plans for the next three-year budgets taking into account 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. * Compile a discussion document from inputs and submit to EXCO and MANCO. | **MM/BTO/SED’S** |
| **February 2016** | **Budget/IDP Strategic Workshop** | **Extended MANCO and EXCO** |
| **March 2016** | **Budget Workshop:**  Discussion of budget inputs, link capital and operational plans to IDP and determine proposed tariffs. | **EXCO**  **MANCO** |
| **March 2016** | **Draft Budget:**   * 90 days before the start of the budget year, Council must consider approval of the draft budget. * Submit the draft multi-term operational and capital budget and all budget related policies for approval. * Submission of approved budget both printed and electronically to COGTA, National and Provincial Treasury. * Make public notice in terms of S22, 75 of the MFMA and 21A of the Municipal Systems Act. | **MAYOR, MM, CFO** |
| **April 2016** | **Public Consultation Process:**  Public Consultation on draft budget throughout the municipality in terms of Chapter 4 of the Municipal Systems Act. | **MAYOR**  **EXCO**  **MM**  **CFO** |
| **May 2016** | **Respond to Public Comments in terms of S23 of the MFMA.**   * Response to public comments and sector comments. Incorporate recommendations into draft budget. * Bilateral engagement with Provincial Treasury. | **MAYOR**  **BTO**  **MM** |
| **May 2016** | **Approval of Final Budget – MFMA S24.**   * Approve the final multi-term operational and capital budget together with the adoption of resolutions that may be necessary. | **COUNCIL** |
| **June 2016** | **Publication of Annual Budget.**   * Submission of the approved budget printed and electronically to COGTA, National and Provincial Treasury, S22(b). * Make public notice in terms of S22(a), 75 of the MFMA and 21A of the Municipal Systems Act. * Capture the approved budget on to the financial system. * Submission of locking certificate in terms of S74(1) of the MFMA. | **MM**  **BTO** |
| **June 2016** | **Compile SDBIP**  Compilation of the service delivery and budget implementation plan (SDBIP) 28 days after the approval of the budget and submit to Council for approval. | **PMS**  **MAYOR**  **MM** |

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**11.4. IDP ALIGNMENT WITH PROVINCIAL SECTOR DEPARTMENTS.**

|  |  |
| --- | --- |
| **EVENTS** | **DATES** |
| Provincial IDP Stakeholder meeting | 13 February 2015 |
| Submission of Draft IDP Review (2015/16) | 27 March 2015 |
| Draft IDP Assessments. | 07 – 24 April 2015 |
| IDP Feedback Session. | 13 May 2015 |
| Municipalities adopt IDPs. | 30 June 2015 |
| IDPs submit to COGTA/MEC Panel | 10 July 2015 |
| MEC Panel assess IDPs. | 27 – 31 July 2015 |
| Draft FPs and PPs submit to COGTA. | 31 July 2015 |
| Sustainable Living Exhibition. | 22 – 23 August 2015 |
| COGTA finalize comments of FPs and PPs. | 29 August 2015 |
| MEC letters to Municipalities. | September 2015 |
| IDP Indaba. | 18 September 2015 |
| World Planning Day. | 07 November 2015 |
| IDP Alignment sessions. | 03 – 25 November 2015 |
| IDP Best Practice Conference (feedback on alignment, best practice, assessment process in April 2016). | 05 December 2015 |
| IDP Stakeholders meeting: confirm assessment process in April 2016. | 13 February 2016 |
| Submission of Draft IDP 2016/17) Review to COGTA. | 27 March 2016 |
| Decentralized Forums and Draft IDP Assessments. | 07 – 29 April 2016 |
| IDP Feedback Session. | 08 May 2016 |
| Submission of Final IDP (2016/17) to MEC Panel for assessment. | July 2016 |

## COST ESTIMATES FOR THE IDP REVIEW PROCESS.

The review, implementation and management of the Newcastle Municipality’s IDP is done in-house, under the Office of the Municipal Manager. The department that deals specifically with the matter referred to above is the Integrated Development Planning and Public Participation Unit and it has authority to obtain, analyse, align and integrate data received both from internal and external stakeholders. The cost for the entire IDP Review Process will be budgeted for from the Council budget since the IDP is being done in-house. The table below depicts the cost breakdown for the completion of the IDP Review:-

|  |  |
| --- | --- |
| **IDP Review 2015/16 Costing Analysis** | |
| **ITEM** | **COST** |
| 1. Situational Analysis | R 80 000,00 |
| 2. Strategic Objectives | R 50 000,00 |
| 3. Capital Programme | R 40 000,00 |
| 4. Sector Alignment | R 30 000,00 |
| **TOTAL:** | **R200 000,00** |

## COUNCIL APPROVAL OF THE IDP.

This is the most important stage of the IDP process. **In light of the upcoming local government elections, the current Council will be obliged to approve the Final IDP prior to the election process.** This is required in terms of Chapter 5 and Section 25 of the Local Government Municipal Systems Act (Act No. 32 of 2000), that the *municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality.* It is prepared in fulfilment of the requirements of the Municipal Systems Act, and outlines a development agenda for the municipality for the next five (5) year circle.