



## **EXTRACT OUT OF MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON THE 29 MARCH 2023**

### **C1213 Part A. CHRIS HANI DISTRICT MUNICIPALITY DISTRICT DRAFT IDP REVIEW & BUDGET FOR 2023-2024 FINANCIAL YEAR**

#### **Purpose:**

- To present 2023-2024 CHDM Draft IDP Review to CHDM Council for Noting.
- To present 2023-2024 CHDM Draft IDP Review to CHDM Council with Chapter 7 Performance Management Framework (PMS) as reviewed for Noting.
- To present 2023-2024 CHDM Draft IDP Review to CHDM Council with Chapter 4 Spatial Development Framework (SDF) as reviewed for Noting.
- To present 2023-2024 CHDM Draft IDP to CHDM Council and for the Mayoral Committee to recommend to Council for Adoption as Draft 2023-2024 IDP Review.

#### **Authority:**

Chris Hani District Municipality Council.

#### **Legal/statutory requirement(s):**

- The Local Government: Municipal Systems Act 32 of 2000 as amended.
- The Local Government: Municipal Structures Act 117 of 1998 as amended.
- The Municipal Planning and Performance Management Regulations (2001 & 2006)
- The Municipal Finance Management Act 56 of (2003).

#### **Legal context:**

Municipal Systems Act 32 of 2000 as Amended Sec 23 (1) states that “Municipal Planning to be developmentally oriented, meaning must strive to achieve objects of local government as set in Sec 152 of the Constitution and further gives effect to its developmental duties as required by Sec 153 of the Constitution of RS.”

Chapter Five (5) of the Municipal Systems Act (Act 32 of 2000) describes the IDP as a single, inclusive, and strategic plan for the development of a municipality that will be the



principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.

Municipal Finance Management Act 56 of 2003 Section 16 prescribes that the Council of a Municipality must for each financial year approve an Annual Budget for the municipality before the start of the financial year.

### **Background & exposition of facts:**

By 31<sup>st</sup> August 2022, Chris Hani District Municipality adopted the IDP Framework and IDP/Budget/PMS Process Plan for the development of 2023-2024 IDP Review which was to be the first review of the 5<sup>th</sup> Generation of the IDP in our country RSA for a period of 2023-2024 Integrated Development Plan (IDP) for the Municipality. This 2023-2024 IDP Review was developed in accordance with the requirements set out in the Municipal Systems Act (32 of 2000) and the Municipal Planning and Performance Management Regulations (2001).

The Municipal Systems Act 32 of 2000 reflects that the IDP must be developed and reviewed annually together with the Municipality's Performance Measurement System. This means that the development and review of the IDP will go hand-in-hand with the implementation of a Performance Management System and the Budget Cycle. Chapter 7 of this 2023-2024 IDP Review refers to Performance Management Framework which was taken from the Reviewed PMS Framework is to be adopted by Council together with this IDP.

### **The IDP is developed and later reviewed annually in order to:**

- Ensure its relevance as the Municipality's Strategic Plan.
- Inform other components of the Municipal business processes including institutional and financial planning/ budgeting.
- Inform the cyclical inter-governmental planning and budgeting cycle.

For the 5 year 2022-2027 IDP to remain relevant, the Municipality must assess its past performance and achievement of its targets [strategic objectives] and in the light of this assessment hence this 2023-2024 IDP Review till 2027 to reflect the impact of its success as well as corrective measures to address challenges. The 2022-2027 IDP has also been



reviewed annually in the light of changing internal and external circumstances that impact on the priority issues, objectives, strategies, projects, and programmes of IDP.

As the IDP is developed for a period of 5 years and reviewed annually the Municipal Finance Management Act also regulates processes of drafting a budget for that particular financial year. The MFMA referred to above indicates, “**The mayor of a municipality must –**

**[21(a)] co-ordinate the process for preparing the annual budget.....,**

**[21(b)] at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines....”**

Section 16 of the Local Government Municipal Finance Management Act (MFMA) prescribes that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year.

Section 68 of MFMA assigns the Accounting Officer the responsibility of assisting the Mayor in performing the budgetary functions assigned to the latter in terms of Chapters 4 and 7.

Chris Hani District Municipality as earlier mentioned prepared an IDP/Budget/PMS process plan which was adopted by Council by 31<sup>st</sup> August 2022, and this Process Plan action programme for the 2023/2024 to 2025/2026 Medium Term Revenue and Expenditure Framework (MTREF).

The process culminates into the budget for the financial year 2023-2024 which is addressing the matters as lifted and reflected on our IDP Review of 2023-2024 financial years. Chapter 6 of this 2023-2024 CHDM IDP Review covers a detailed financial plan for the municipality unto which the programmes and challenges will be addressed.

**Other parties consulted:**

Chris Hani District Municipality Management

LM's IDP/Strategic Managers

COGTA-EC

Eastern Cape Dept of Treasury

National Treasury



**Financial implications:**

R1million.

**Deliberations of the Mayoral Committee:**

- The budget from the CHDA has yet to be presented as they are still continuing with their budgeting processes, but rather the CHDM has made a provision for allocation purposes in its own budget.
- Alignment between the IDP (with policies and the organogram) and the Budget is of critical importance.
- The importance of adopting a funded budget cannot be understated.

**Resolution:**

**It was resolved:**

- 1) Council **notes and approves** the CHDM 2023-2024 Draft IDP Review for further legislated processes.
- 2) Council **notes and approves** the 2023-2024 IDP Review with Chapter 7 of the Performance Management Framework (PMS) as reviewed for further legislated processes.
- 3) Council **note and approves** the 2023-2024 IDP Review with Chapter 4 of Spatial Development Framework (SDF) as reviewed for further legislated processes.

**This is certified as a true copy of the original.**

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**MR. G. MASHIYI**  
**MUNICIPAL MANAGER**

(An official delegated with the Authority to prepare the record of the Proceedings and implement council Resolutions)

.....  
**CLLR J. CENGANI**  
**SPEAKER OF COUNCIL**

(In His capacity as the Speaker of the Council)