

| | |
|--|---|
| Kennis word hiermee gegee in terme van Artikel 29(2) van die Plaaslike Regering: Munisipale Strukture Wet, 1998 (Wet 117 van 1998) soos gewysig, dat 'n virtuele (Microsoft Teams) Spesiale Raadsvergadering van die Munisipaliteit Witzenberg gehou sal word op Vrydag, 31 Julie 2020 om 09:00. | Notice is hereby given in terms of Section 29(2) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) as amended, that a virtual (Microsoft Teams) Special Council meeting of the Witzenberg Municipality will be held on Friday, 31 July 2020 at 09:00. |
|--|---|

| Raadslede en Amptenare / Councillors and officials | | |
|--|--|-----------------------------------|
| Councillor TE Abrahams | Alderman K Adams (Deputy Executive Mayor) | Councillor P Daniels |
| Alderman TT Godden (Speaker) | Councillor P Heradien | Councillor MD Jacobs |
| Councillor D Kinnear | Councillor BC Klaasen (Executive Mayor) | Councillor GG Laban |
| Councillor C Lottering | Councillor M Mdala | Councillor TP Mgoboza |
| Councillor ZS Mzauziwa-Mdishwa | Councillor MJ Ndaba | Councillor N Phatsoane |
| Aldersady JT Phungula | Alderman JW Schuurman | Councillor EM Sidego |
| Councillor RJ Simpson | Alderman HJ Smit | Councillor D Swart |
| Councillor HF Visagie | Alderman JJ Visagie | |
| Municipal Manager | Acting Director: Finance | Director: Technical Services |
| Director: Corporate Services | Head: Internal Audit | Manager: Projects and Performance |
| Manager: Administration | IDP Manager | Manager: Legal Services |
| Acting Principal Administrative Officer | Committee Clerk | |



ALDERMAN TT GODDEN
SPEAKER

28 July 2020

AGENDA

1. OPENING AND WELCOME
2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION
 - 2.1 Consideration of application for leave of absence, if any
(3/1/2/1)
 - 2.2 Confidentiality and Conflict of Interest Declaration
(3/2/1)
3. RESERVED POWERS
 - 3.1 Draft Review IDP and Budget Process Plan for 2021/2022
(02/02/1)

In terms of Section 28 of the Municipal Systems Act (Act 32 of 2000), Council must adopt an IDP and Budget Process Plan. The Municipal Finance Management Act (Act 56 of 2003) further stipulates that at least ten months before the start of the budget year, the Executive Mayor should table a time schedule outlining key deadlines in respect of the IDP/Budgetary process.

Section 29 of the Municipal Systems Act (Act 32 of 2000), specifies that such a Process Plan must include:

- Programs that set out timeframes for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation with:
 - Local communities, both in terms of needs and priorities as well as consultation during development;
 - Organs of state, traditional authorities, and other role-players in the drafting process; and
- Binding plans and planning requirements, i.e. policy and legislation.

National Treasury has provided further guidance by the issuing of MFMA Circular 10. That circular provides specific guidance with regard to six distinct steps in compilation of the IDP and the annual Budget. The table below highlights these steps, with a brief description of each step:

| Steps | | Process |
|-------|--------------|---|
| 1 | Planning | Schedule dates, establish consultation forums, review previous processes |
| 2 | Strategizing | Review IDP, set service delivery objectives for next 3 years, consult on tariffs, indigents, credit control, free basic services etc., and consider local, provincial and national issues, the previous year's performance and current economic and demographic trends etc. |
| 3 | Preparing | Prepare Budget, revenue and expenditure projections; draft Budget policies; consult and consider local-, provincial and national priorities |

| | | |
|----------|-------------------|--|
| 4 | Tabling | Table draft Budget, draft IDP and Budget-related policies before council; consult and consider local-, provincial and national inputs or responses |
| 5 | Approving | Council approves the IDP, the Budget and related policies |
| 6 | Finalising | Publish the IDP, Budget and approve the SDBIP and performance targets |

In capturing the above steps, this IDP and Budget Process Plan seeks to address, *inter alia*, the:

- Identification of areas requiring additional attention in terms of legislative requirements, proper planning processes and sound financial management;
- Inclusion of the most current Census and own statistical data;
- Consideration and review of any other relevant and new information;
- Addressing comments received from the various role-players;
- Factor-in the shortcomings and weaknesses identified through self-assessment;
- Preparation and review of sector plans and its alignment with the IDP;
- Preparation and review of the Performance Management System (PMS);
- Updating of the 5-year Financial Plan; and
- Finalisation of the annual Budget and IDP in terms of the relevant legislation.

Pursuant to the above statutory requirements, a Draft Process Plan for the 2021/2022 Review IDP and Budget cycle is attached as **annexure 3.1**.

RECOMMENDED

That notice be taken of the Draft Review IDP and Budget Process Plan for 2021/2022.

3.2 Request from DBSA for funding: Revenue Enhancement Project (5/6/1)

The following documents are attached:

- (a) Memorandum from Acting Director: Finance, dated 23 July 2020: **Annexure 3.2(a)**.
- (b) Application letter: **Annexure 3.2(b)**.
- (c) Business Plan: **Annexure 3.2(c)**.
- (d) Pro forma commitment: **Annexure 3.2(d)**.

RECOMMENDED

- (a) *that Council hereby approves the project, accepts the DBSA's grant funding and Revenue Enhancement Programme and supports the implementation of the project in terms of the Grant Agreement as to be agreed by both parties.*
- (b) *That The "Municipal Manager" / "Accounting Officer" is hereby authorised and mandated to sign the Grant Agreement on its behalf, and to sign and/or dispatch all documents and notices to be signed and/or dispatched by it or in connection with the Agreement.*
- (c) *That the Municipal Manager provides the DBSA with the Designated and Authorised Signatories, any of whom shall represent the municipality on the Project Steering Committee for the purposes stated in the Grant Agreement.*

- (d) *That the municipality provides the relevant FICA documentation required by the DBSA in terms of Regulations 3,4,5 and 6 of FICA (the Financial Intelligence Centre Act, 38 of 2011).*
- (e) *That accordingly, the municipality is obliged to enter into a Grant Agreement ("the Agreement") with the DBSA, in terms of which the DBSA will make available a grant to the benefit of the municipality for the execution of the project.*
- (f) *That pursuant to the Agreement, the municipality agrees and acknowledges that the Grant Amount shall be paid to the Professional Service Provider, appointed by the DBSA, for the provision of the services relating to the project for the benefit of the municipality.*

**3.3 Solidarity pledges to contribute towards the curbing of the spread of and impact of COVID-19
(12/1/11)**

The following memorandum, dated 24 July 2020, was received from the Municipal Manager:

"Purpose

To submit to Council Circular 16/2020 from SALGA in terms whereof Councillors / Senior Managers are requested to consider contributing to the Municipal Solidarity Fund.

Deliberation

SALGA has forwarded to Municipalities Circular 16/2020 calling on municipalities to possibly consider certain recommendations as set out in the circular. See in this regard Circular 16/2020 attached as **annexure 3.3(a)**. Included in the correspondence is also the structure of the Municipal Solidarity Fund, attached as **annexure 3.3(b)**. The circular requests that Council should consider the following:

- (a) That Councillors and municipal officials should respond to the President's Call;
- (b) Approve that Councillors pledge to contribute the 4 % annual increment for the months of April, May and June 2020;
- (c) Recommend that Senior Managers, which includes the Municipal Manager and Managers directly reporting to the Municipal Manager, should pledge their annual increment for the months of April, May and June 2020;
- (d) Approve the establishment of a Municipal Solidarity Fund linked to COVID-19 and other related future municipal support initiatives;
- (e) Approve the Terms of Reference for the establishment of the Municipal Solidarity Fund;
- (f) Approve that all pledges/contributions should be paid into the Municipal Solidarity Fund;

- (g) Approve that the contributions from Councillors and municipal officials will constitute seed funding for the Municipal Solidarity Fund;
- (h) Approve that the seed funding may be used to encourage other stakeholders and role players within the municipal area to similarly contribute towards the Municipal Solidarity Fund."

RECOMMENDED

For consideration.

4. COUNCIL-in-COMMITTEE



DRAFT 2021 – 2022 – 4TH REVIEW IDP AND BUDGET PROCESS PLAN

Trim ref: 02/02/2/

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IDP & BUDGET PROCESS PLAN

SECTION ONE: INTRODUCTION & BACKGROUND

1.1. INTRODUCTION

The Integrated Development Plan (IDP), as the key tool for the Municipality to tackle its developmental role, represents a continuous cycle of development, planning, implementation and review. Implementation started after the adoption of the 1st - Generation IDP in 2006. Currently the municipality operates in the 2nd - Generation IDP. The IDP is the strategic plan with a cycle period of five years. During its five-year life cycle the IDP is reviewed and updated annually.

The Annual Budget, in turn, provides the Medium Term Revenue & Expenditure Framework (MTREF) which sets out the financial path for the ensuing three years.

These two documents, i.e. the IDP and the Budget – along with the Performance Management System (PMS) – provide a means to assess the progress and achievements with regard to the strategic objectives of the Municipality, thus informing its financial and institutional planning.

With the input of the Provincial authority, local municipalities are continuously in the process of reviewing, improving and updating its IDP, as well as ensuring alignment with the MTREF.

This IDP and Budget Process Plan seek to address, *inter alia*, the:

- Identification of areas requiring additional attention in terms of legislative requirements, proper planning processes and sound financial management;
- Inclusion of the most current Census and own statistical data;
- Consideration and review of any other relevant and new information;
- Addressing comments received from the various role-players;
- Shortcomings and weaknesses identified through self-assessment;
- Preparation and review of sector plans and its alignment with the IDP;
- Preparation and review of the Performance Management System (PMS);
- Updating of the 5-year Financial Plan; and
- Preparation and finalization of the annual Budget in terms of the relevant legislation.

1.2. LEGISLATIVE FRAMEWORK

1.2.1. PROCESS PLAN

In order to ensure minimum quality standards of the IDP and Budget process – and a proper coordination between and within spheres of government – the preparation of the IDP and Budget Process Plan has been regulated by both the Municipal Systems Act and the MFMA.

In terms of Section 28 of the MSA, Council must adopt an IDP and Budget Process Plan. And Section 29 of the MSA specifies that such a Process Plan must include:

- Programs that set out timeframes for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation with:
 - Local communities, both in terms of needs and priorities as well as consultation during development;
 - Organs of state, traditional authorities, and other role-players in the drafting process; and
- Binding plans and planning requirements, i.e. policy and legislation.

In terms of Section 21 of the MFMA, the Executive Mayor must co-ordinate the process for the adoption of the annual Budget and the review of the IDP and related policies so that he/she can ensure mutual consistency and credibility.

The second part of the afore-mentioned Section of the MFMA stipulates that a Process Plan with timeframes must be tabled to Council for consideration at least 10 months prior to implementation of the annual Budget.

National Treasury has provided further guidance by the issuing of MFMA Circular 10. That circular provides specific guidance with regard to six distinct steps in compilation of the IDP and Budget.

The table below highlights the six steps, with a succinct description of each step:

| Steps | | Process |
|--------------|---------------------|---|
| 1 | Planning | Schedule key dates, establish consultation forums, review previous processes |
| 2 | Strategizing | Review the IDP, set service delivery objectives for next 3 years, consult on tariffs, indigents, credit control, free basic services etc., and consider local-, provincial- and national issues, the previous year's performance and current economic and demographic trends etc. |
| 3 | Preparing | Prepare the Budget, revenue and expenditure projections; draft Budget policies; consult and consider local-, provincial- and national priorities |
| 4 | Tabling | Table the draft IDP, the draft Budget and Budget-related policies before council; consult and consider local-, provincial- and national inputs or responses |
| 5 | Approving | Council approves the IDP, the Budget and related policies |

| | | |
|----------|-------------------|---|
| 6 | Finalizing | Publish the IDP, Budget and approve the SDBIP and performance targets |
|----------|-------------------|---|

Local municipalities are required by the Municipal System Act (Act 32 of 2000) to consult and report back to communities on their planned activities as well as their performances so that communities can be afforded an opportunity to voice their opinions on the day-to-day functioning of the Municipality.

Development of an IDP Framework Plan

In terms of Section 27 of the MSA, the District Municipality must develop a Framework Plan which provides the linkage and binding relationships between the district and local municipalities in its jurisdiction area. In doing so, proper consultation, coordination and alignment of the IDP review process of the district municipality and various local municipalities can be maintained.

1.2.2. OTHER LEGISLATIVE IMPERATIVES

In an effort to comply with the current legislative framework, the host of binding legislation to be taken into consideration in the formulation of the IDP & Budget Process Plan is listed hereinunder:

- The Constitution of the Republic of South Africa, (Act 108 of 1996)
- Local Government: Municipal Demarcation Act, (Act 27 of 1998)
- Local Government: Municipal Structures Act, (Act 117 of 1998)
- Public Finance Management Act (Act 2 of 1999)
- Promotion of Access to Information Act (Act 2 of 2000).
- Local Government: Municipal Systems Act, (Act 32 of 2000)
- Local Government: Municipal Finance Management Act, (Act 56 of 2003)
- Local Government: Property Rates Act, (Act 6 of 2004)
- Inter-governmental Relations Framework Act, (Act 13 of 2005)
- Division of Revenue Act (Act 1 of 2007)
- Development Facilitation Act, (Act 67 of 1995)
- Communal Land Rights Act, (Act 11 of 2004)
- National Land Transport Transitional Act, 1999
- Housing Act, (Act 107 of 1997)
- Water Services Act, (Act 108 of 1997)
- National Water Act, (Act 36 of 1998)
- National Water Amendment Act, (Act 45 of 1999)
- Environmental Conservation Act, (Act 73 of 1989)
- National Environmental Management Act, (Act 107 of 1998)
- National Environmental Management: Air Quality Act, (Act 39 of 2004)
- National Environmental Management: Protected Areas Act, (Act 57 of 2003)

- National Environmental Management Biodiversity Act, (Act 10 of 2004)
- National Forest Act (1998)

Provincial Policies

- Western Cape Growth and Development Strategy
- Western Cape Spatial Development Framework

National Policies

- Reconstruction and Development Program (RDP), 1994
- Growth, Employment And Redistribution (GEAR); 1996
- Urban Development Framework, 1997
- Rural Development Framework, 1996
- Accelerated and Shared Growth Initiatives for South Africa (ASGISA)

| Abbreviations : | |
|------------------------|--|
| IDP | - Integrated Development Plan |
| MFMA | - Municipal Finance Management Act, no 56 of 2003 |
| MSA | - Local Government Municipal Systems Act, no 32 of 2000 |
| MTBPS | - National Treasury, Medium Term Budget and Policy Statement |
| NT | - National Treasury |
| PT | - Provincial Treasury |
| SDBIP | - Service Delivery Budget Implementation Plan |

SECTION TWO: ORGANIZATIONAL ARRANGEMENTS

2.1 IDP / BUDGET STEERING COMMITTEE

As part of the IDP & Budget preparation process, the Mayor must establish an IDP & Budget Steering Committee. This committee must at least consist of the persons mentioned in Section 4 of the Budget and Reporting Regulations.

Section 4 of the Local Government: Budget and Reporting Regulations states the following:

Budget Steering Committee

4. (1) *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.*
- (2) *The Steering Committee must consist of at least the following persons:*
- (a) the councillor 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*
 - (g) any technical experts on infrastructure.*

This IDP / Budget Steering Committee will act as a support structure to the Executive Mayor in providing a platform for him/her to provide political guidance and to monitor progress made in the IDP and Budget process. This Steering Committee must be reconstituted each year.

2.1.1. Composition

In order to comply with the legislative requirements, the Mayoral Committee has constituted the Witzenberg IDP/Budget Steering Committee structure as follows (inclusive political representation):

| | |
|--------|--|
| Vacant | |
| Vacant | |
| Vacant | |
| Vacant | |
| Vacant | |
| Vacant | |
| Vacant | |
| Vacant | |

2.1.2. Terms of Reference for the IDP / Budget Steering Committee

The Terms of Reference for the IDP / Budget Steering Committee are as follows:

- To provide terms of reference for the various planning activities
- To commission research studies
- Considers and comments on:
 - ➡ Inputs from sub-committee/s, study teams and consultants
 - ➡ Inputs from provincial sector departments and support providers
- To process, summarize and document the outputs
- Makes content recommendations, and
- Prepares, facilitates and minutes all meetings

2.2 IDP REPRESENTATIVE FORUM

2.2.1 Composition of IDP Representative Forum

The IDP Representative Forum (RF) is constituted as part of the preparation phase of the IDP, and will continue its functions throughout the annual IDP Review process. The composition of the IDP Representative Forum is as follows:

- MAYCO members
- Councillors
- Ward Committees
- Community Development Workers
- Municipal Manager and Senior Managers
- Stakeholder representatives of organised groups

The ward structure for Witzenberg is shown in the table below:

| Ward | Status | Towns or Areas |
|------|------------|--|
| 1 | Functional | N'duli |
| 2 | Functional | Wolseley farms (toward Botha and Breë Valley) |
| 3 | Functional | Ceres West |
| 4 | Functional | PA Hamlet (including Kliprug, and a portion of Bella Vista) |
| 5 | Functional | Ceres East |
| 6 | Functional | Bella Vista (including some farms in Warm Bokkeveld) |
| 7 | Functional | Wolseley (including Montana, Pine Valley, and section of Chris Hani) |
| 8 | Functional | Koue Bokkeveld farms (up until Op-Die-Berg) |
| 9 | Functional | Op-Die-Berg (including farms from Op-Die-Berg toward Citrusdal) |
| 10 | Functional | Agter Witzenberg rural (including Phase 3 & Phase 4 in PA Hamlet) |
| 11 | Functional | Tulbagh (including Chris Hani, Witzenville and surrounding farms) |
| 12 | Functional | Warm Bokkeveld rural |

2.2.2 Terms of Reference for the IDP Representative Forum

The terms of reference for the IDP Representative Forum are as follows:

- Represents the interest of the municipality's constituency in the IDP process;
- Provides an organisational mechanism for discussion, negotiation and decision-making between all the stakeholders in municipal government;
- Ensures communication between all the stakeholder representatives in municipal government;
- Monitors the performance of the planning and implementation process;
- Forms a structured link between the Municipality and representatives of the public;
- Participates in decision-making within the Representative Forums;
- Analyzes and discusses issues being developed;
- Ensures that priority issues of their constituents are considered;
- Ensures that annual business plans and SDBIP are developed, based on the IDP priorities and municipal Key Performance Indicators;
- Participates in the designing of IDP project proposals; and
- Discusses and comments on the final IDP product.

Witzenberg has not as yet formally constituted an IDP Representative Forum. Council has resolved that until such time as an IDP Representative Forum is created, the current Ward Committee structures should perform the role and function assigned to the Rep Forum. This Process Plan takes cognizance thereof, and all engagements indicated in this plan as devolving upon the IDP Representative Forum will be channeled to, and administered by, the Ward Committee structures.

SECTION THREE: ROLE-PLAYERS

3.1 ROLE-PLAYERS

The following role-players have been identified:

3.1.1. External Role-players

The external role-players identified are:

- Provincial Government Departments, specifically through the LGMTEC engagements and IGR structures;
- National government, specifically DPLG and National Treasury via guidelines issued;
- Representative Forums / Civil Society; and
- The Cape Winelands District Municipality.

3.1.2. Internal Role-players

The main internal role-players, apart from all officials in the Municipalities, are identified as:

- Council
- IDP / Budget Steering Committee; and
- Manager responsible for IDP.

3.1.3 ROLES AND RESPONSIBILITIES

The responsibility of the other spheres of government is to:

- Ensure vertical alignment of the IDP and Budget with Provincial and National sector plans.
- Monitor development and review of IDP and Budget process.
- Ensure responsiveness of the IDP and Budget.
- Contribute relevant information of Provincial Sector Departments, and to
- Contribute sector expertise and technical know-how.

The responsibility of the IDP Representative Forum is to:

- Ensure that community needs and priorities are communicated
- Ensure responsiveness of the IDP and Budget
- Ensure communication lines with represented organizations, and to
- Ensure information flow.

The responsibilities of Council are to:

- Decide on and adopt the IDP & Budget Process Plan; and to
- Decide on and adopt the IDP and Budget documents.

The responsibilities of the IDP / Budget Steering Committee are to:

- Identify additional role-players to serve on the IDP Representative Forum;
- Ensure that all relevant role-players are involved;
- Ensure that the review process is undertaken in accordance with agreed timeframes;
- Ensure that the process is focused on priority issues;
- Ensure that it is strategic and implementation-orientated; and to
- Ensure that sector requirements are adhered to.

The responsibilities of the IDP Manager, with regard to this process, are to:

- Ensure that the Process Plan is finalised and presented to the IDP / Budget Steering Committee;
- Adjust the IDP according to the proposals of the MEC;
- Ensure the continuous participation of role-players;
- Monitor and record the participation of role-players;
- Ensure that appropriate procedures are followed;
- Ensure documentation is prepared properly;
- Carry out the day-to-day management of the IDP process;
- Co-ordinate inputs received such as comments and enquiries;
- Ensure responses to comments and enquiries;
- Ensure alignment of the IDP with the District Municipality's framework;
- Co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation;
- Co-ordinate the inclusion of the Performance Management System (PMS) into the IDP; and to
- Ensure the timeous submission of IDP documents to the relevant authorities.

SECTION FOUR: MECHANISMS AND PROCEDURES FOR PARTICIPATION

4.1 FUNCTIONS AND CONTEXT OF PUBLIC PARTICIPATION

The four major functions in the public participation process are:

- ◆ Needs orientation;
- ◆ Appropriateness of solutions;
- ◆ Community ownership; and
- ◆ Empowerment.

Similar to the preparation of the IDP, the public participation process in the annual drafting of the IDP review and Budget must be institutionalized. This is done in order to ensure that all residents and stakeholders have a fair and equal right to participate in matters of governance.

4.2 MECHANISMS FOR PARTICIPATION

The following mechanisms for participation will apply:

4.2.1 IDP Representative Forum (RF)

This forum represents all stakeholders and is as inclusive as possible. Efforts will be made to bring additional organizations into the RF and ensure their continued participation throughout the process.

Until such time though that Witzenberg has established an IDP Representative Forum, the Ward Committee structure will be utilized to fulfill the RF's role.

4.2.2 Media

A vigorous communication and information-sharing or dissemination campaign aimed at reaching out to all the communities will be undertaken in terms of the annual IDP and Budget process.

The following means of communication will be utilized:

- Municipal Website & Intranet;
- Notices at all Municipal Offices,
- Municipal Accounts;
- Loud-hailing the day before local Imbizo's (Meetings); and
- Advertisements in local news papers.

4.2.3 Information sheets

Information sheets will be prepared in English, Afrikaans and Xhosa, and will be distributed via the Ward Committee structure and/or Representative Forum. Information sheets will also be displayed on the Municipal Notice Boards, Municipal Website, in local media, and included in monthly municipal accounts.

4.2.4 Sector engagements

Dates, time and venues will be communicated in writing to each stakeholder at least seven days prior to the meetings. It is the responsibility of stakeholders to notify the Municipality of any changes in representatives, or contact details.

4.2.5 Local Imbizo's (Meetings)

All venues will be selected in a manner that ensures and enhances easy access for all community members to attend. Meetings should be either ward-based or per town / neighborhood, considering the size and distance.

Times chosen for the meetings should ensure maximum attendance by all the households. Venues will be prepared half an hour before starting time to allow community members to be properly seated before commencement of the session.

The communication medium will be the predominant language of the community, with arrangements for translation / interpretation, as the need may be.

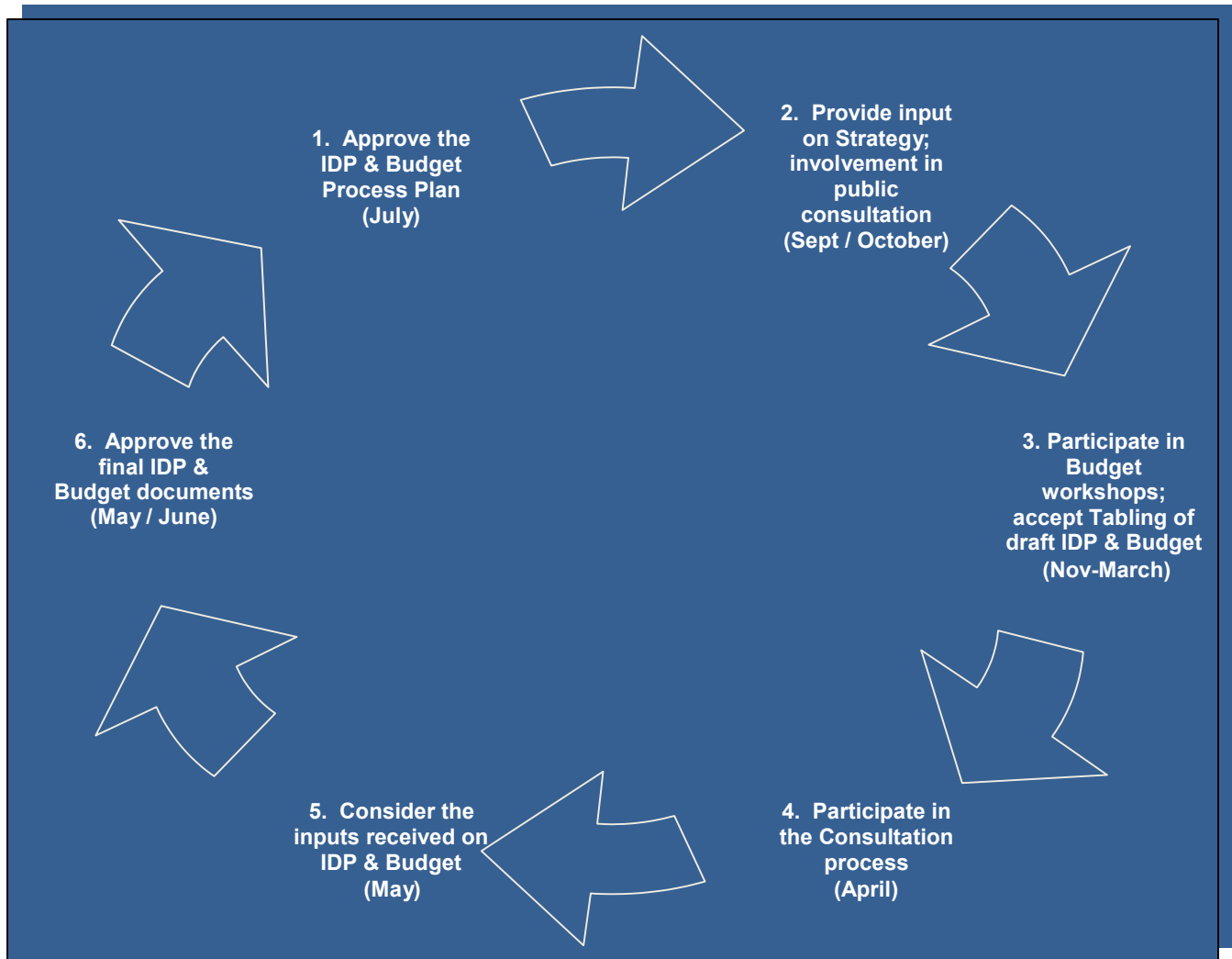
4.3 PROCEDURES / PROCESSES FOR PARTICIPATION

4.3.1 IDP Representative Forum

The IDP Representative Forum (when formally constituted and functional) will meet as indicated in the Process Plan.

4.3.2 Council Approval

The involvement of Council in the IDP and Budget compilation process is best illustrated in the process flow diagram below:



4.3.3 Newspapers

An outcome report will be submitted to the local newspaper on the completion of the adopted IDP and Budget documents, as well as an information spreadsheet on the key elements of the Final IDP and Budget.

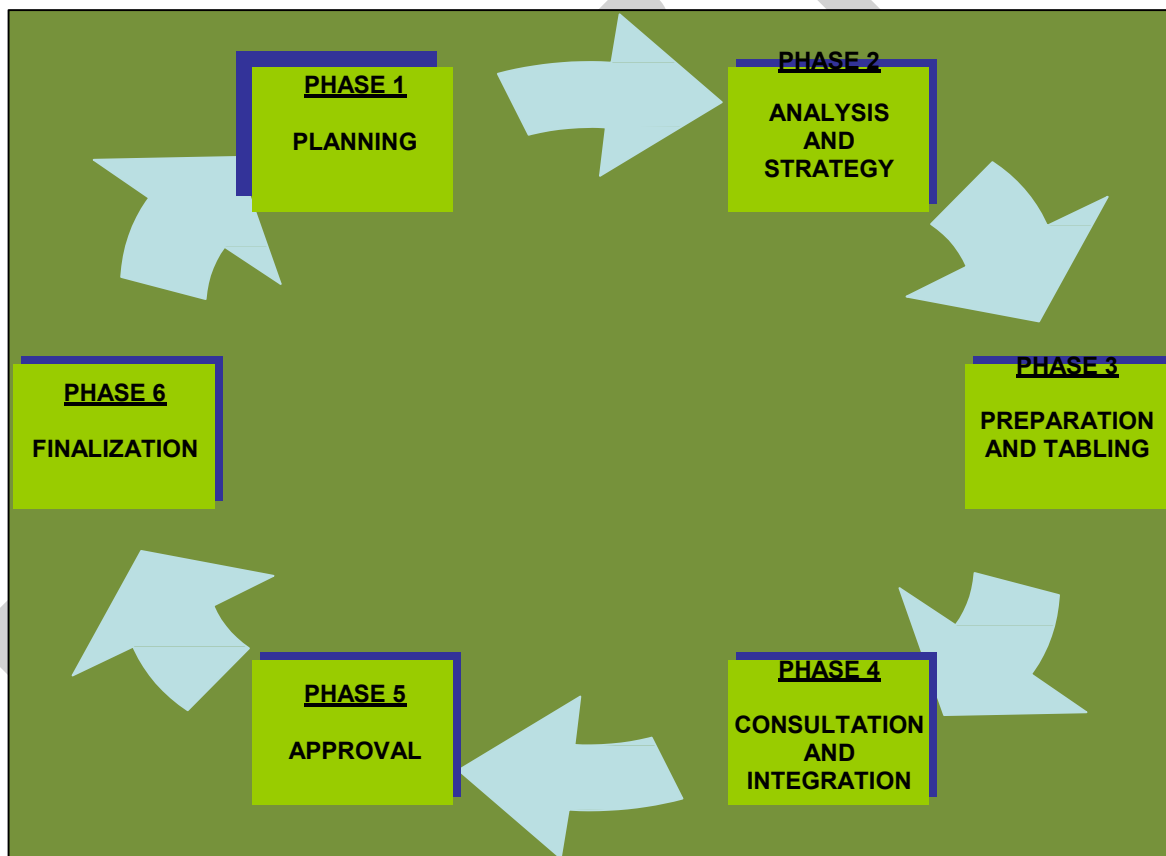
4.3.4 Information Sheets

At the completion of each phase an information sheet will be prepared in the three dominant languages, namely English, Afrikaans and Xhosa, providing an executive summary of the outcomes of the particular phase.

SECTION FIVE: ACTION PROGRAM

5.1 PHASES OF THE IDP AND BUDGET PROCESS

The IDP and Budget process speaks to Planning, Preparation, Implementation and Monitoring of the IDP, Budget, and the Performance Management System. The six distinct phases in the IDP and Budget process are indicated in the diagram below:



PHASE 1 - PLANNING

During this phase the Process Plan is divided into activities, and for each activity a timeframe is allocated as well as a linkage to the responsible person for each activity.

The Process Plan is compiled via a process of consultation with all the role-players.

PHASE 2 – ANALYSIS AND STRATEGY

Phase 2 comprises two stages, namely the Analysis and the Strategy formulation stages. For successful forward planning it is imperative to understand precisely what the current situation is as well as the historical trends. Therefore, both external and internal influences must be taken into account. And since all strategies and interventions are to be ward-based, all analyses, as far as possible, should speak to wards.

A proper analysis includes consultation with the whole spectrum of stakeholders, including the general public, as well as a thorough institutional assessment. It is important that all the stakeholders must have a common understanding of the gaps as well as the available resources – i.e. human, financial, property, plant and equipment.

Once the current resources and needs assessment has been completed, then only the formulation of a credible strategy to cover those gaps is possible.

PHASE 3 – PREPARATION AND TABLING

There are four distinct processes dealt with almost simultaneously in this phase, namely

- Preparation of draft Capital program (Next 3 years)
- Preparation of draft Operational Budget (Next 3 years)
- Preparation of draft Adjustment Budget, if necessary, and the
- Updating of the IDP.

And then the tabling of the following drafts is to be made, namely:

- Annual Report;
- Adjustment Budget;
- IDP; and
- Annual Budget.

PHASE 4 – CONSULTATION AND INTEGRATION

Consultation is done with three different types of stakeholders, namely: Government through LGMTEC's; structured civil society through IDP Representative Forum and/or Ward Committee structures, and with the community through Imbizo's/meetings in the different wards, neighborhoods or towns. All inputs, comments and objections received throughout this phase are considered, and recommendations are prepared. Thereafter the IDP and Budget is tabled to Council for consideration.

PHASE 5 – APPROVAL

Once the IDP and Budget documents are tabled, Council considers it for approval. Approval must take place before the start of the new financial year.

PHASE 6 – FINALIZATION

Once the IDP and Budget have been approved, the final documents are published. The Service Delivery and Budget Implementation Plan (SDBIP) is then developed. The performance agreements are also drafted, based on the approved documents.

5.2 TIME SCHEDULE: KEY DATES AND RESPONSIBILITIES IN THE PHASES OF THE PROCESS PLAN

The detailed activities in each phase are disclosed in the following matrix:

| 5.2.1 PHASE 1 - PLANNING | Start 01/07/2020 | Finish 30/08/2020 | Responsibility |
|---|---------------------|----------------------|---|
| Activities | | | |
| Compile the IDP & Budget draft Process Plan with time schedule | 01/07/2020 | 15/07/2020 | Manager: IDP |
| Senior Management to discuss the Draft Process Plan | 15/07/2020 | 20/07/2020 | Municipal Manager |
| | | | |
| MAYCO meeting to consider the Process Plan | 21/07/2020 | 24/08/2020 | Municipal Manager |
| Draft Process Plan to be tabled to Council | 27/07/2020 | 31/07/2020 | Executive Mayor |
| NATIONAL WOMEN'S DAY | 09/08/2020 | | |
| Process Plan to be tabled to Council for adoption (At least 10 months before the Budget year) | 17/08/2020 | 31/08/2020 | Executive Mayor |
| Other activities during this phase | | | |
| Witzenberg Municipality Inter-Governmental Relations Forum | 01/08/2020 | 30/08/2020 | Manager IDP |
| Preparation of reports: ➡ 4 th Quarter SDBIP report ➡ June Section 71 Report / Grant Report | | | Man: Performance CFO CFO |
| Compilation of: ➡ Roll over Adjustment Budget (Capital only) ➡ Annual Financial Statements ➡ Draft Annual Report information | | | Manager: Budget Manager: Budget CFO |
| Provincial Integrated Development Plan Managers Forum | 01/09/2020 | 30/09/2020 | Department of Local Government |

| 5.2.2 PHASE 2 – ANALYSIS AND STRATEGY | Start 01/09/2020 | Finish 30/11/2020 | Responsibility |
|--|-----------------------------|------------------------------|-----------------------|
| Activities | | | |
| Stage 1(a): ANALYSIS | 01/09/2020 | 01/10/2020 | |
| Performance Analysis | | | |
| Assess the municipal performance (Strengths & Weaknesses) | 01/09/2020 | 21/09/2020 | Manager: Performance |
| Review the Performance Management System | 01/09/2020 | 21/09/2020 | Manager: Performance |
| Review the annual performance against SDBIP's | 01/09/2020 | 21/09/2020 | Manager: Performance |
| Financial Analysis | 01/09/2020 | 21/09/2020 | |
| Assess the municipal financial position and capacity (based on Financial Statements of previous Budget year) | 01/09/2020 | 21/09/2020 | CFO |
| Review Budget-related policies and set policy priorities for next 3 years | 01/09/2020 | 21/09/2020 | CFO |
| Determine the funding/revenue potentially available for next 3 years | 01/09/2020 | 21/09/2020 | Manager: Income |
| Determine the likely financial outlook and identify changes to fiscal strategies | 01/09/2020 | 21/09/2020 | Manager: Budget |
| Refine funding policies; review tariff structures | 01/09/2020 | 21/09/2020 | CFO |
| Situational Analysis | 01/09/2020 | 21/09/2020 | |
| Review current realities and examine changing conditions and information within each directorate: ➤ Spatial ➤ Legislative ➤ Institutional | 01/09/2020 | 21/09/2020 | SNR MANAGEMENT |
| Analyze the Strategic Calendar and Joint Planning Initiatives(JPI's) to determine interventions | 01/09/2020 | 21/09/2020 | Manager: IDP |
| Review Organogram to assess institutional capacity | 01/09/2020 | 21/09/2020 | Manager: HR |
| Closing of Analysis | 01/09/2020 | 21/09/2020 | |
| Management strategic workshop on analysis (All responsible persons to prepare 45 min presentations) | 01/09/2020 | 21/09/2020 | Manager: IDP |
| | | | |
| Strategic session with Mayco & Council on finalization of Analysis Phase | 21/09/2020 | 02/10/2020 | Snr Management |

| 5.2.2 PHASE 2 – ANALYSIS AND STRATEGY | Start 01/09/2020 | Finish 13/11/2020 | Responsibility |
|--|-----------------------------|------------------------------|---|
| Activities | | | |
| Stage 1(b): CONSULTATION | 01/10/2020 | 13/11/2020 | |
| Publish Public Consultation timetable | 01/09/2020 | 30/10/2020 | Manager: IDP |
| Mail invitations to Sector representatives / IDP Representative Forum (RF) | 01/09/2020 | 30/10/2020 | Manager: IDP |
| Media- & Awareness Campaign to encourage public and sector participation in the IDP/Budget process | 01/09/2020 | 30/10/2020 | Public Part. Officer Manager: IDP |
| HERITAGE DAY | 24/09/2020 | | |
| Finalize consultation presentations (Presentation based on outcome of analysis & linked to ward-based planning priorities) | 23/09/2020 | 27/09/2020 | Snr Management |
| Community Imbizo's / Jamboree Meetings: | | | |
| Prince Alfred's Hamlet | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| N'duli | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| Wolseley | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| Bella Vista | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| Ceres | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| Op Die Berg | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| Tulbagh | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| Forum & sector meetings: Business & Agriculture | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| Meetings with Ward Committees | 01/10/2020 | 13/11/2020 | Exec. Mayor |
| IGR engagement to obtain sector Budget commitments | 01/10/2020 | 13/11/2020 | Manager: IDP |
| INTER-GOVERNMENTAL ALIGNMENT: Presentation to District and Provincial Sector Departments | | To be announced | Municipal Manager |
| Stage 2: STRATEGY | 01/10/2020 | 30/11/2020 | |
| Revise and update the Financial Plan | 01/10/2020 | 30/11/2020 | CFO |
| 2-day Workshop: MAYCO & Management to incorporate the outcomes of the Analysis Phase and to determine any new developmental objectives | 13/11/2020 | 04/12/2020 | Municipal Manager |
| Workshop with Council to review the Vision, Mission, Strategic Objectives, and to refine the SDF | 13/11/2020 | 04/12/2020 | Municipal Manager |
| Other activities during this phase | | | |
| Preparation of reports: ➤ August Section 71 Report / Grant Report ➤ September Section 71 Report / Grant Report ➤ Witzenberg Municipality Inter-Governmental Relations Forum | 16/11/2020 | 30/11/2020 | CFO CFO Man: Performance Dir. Community Development/ Manager: IDP |
| Provincial Integrated Development Plan Managers Forum | 02/12/2020 | 13/12/2020 | Department of Local Government |

| 5.2.3 PHASE 3 – PREPARATION AND TABLING | Start 30/11/2020 | Finish 28/02/2021 | Responsibility |
|---|-----------------------------|------------------------------|----------------------------------|
| Activities | | | |
| Stage 1: CAPITAL PROJECTS AND PROGRAMS | 04/11/2020 | 30/11/2020 | |
| Departments provide details of all newly identified projects. | | 25/11/2020 | All Managers |
| Development of Ward/Area-based Project Plans | 01/11/2020 | 15/11/2020 | Manager: IDP; Manager: Budget |
| Dept Finance provide working papers for capital project prioritization | 01/11/2020 | 15/11/2020 | Manager: Budget |
| Management workshop to prioritize Capital Programs and Projects for next 3 years | 13/11/2020 | 04/12/2020 | Snr Management |
| | | | |
| Workshop with Council to finalize draft capital program | 13/11/2020 | 04/12/2020 | Municipal Manager |
| Stage 2(a): ADJUSTMENT BUDGET | 01/12/2020 | 28/02/2021 | |
| Dept Finance provide working papers for adjustment Budget | 01/12/2020 | 13/12/2020 | Manager: Budget |
| Departments provide responses to Adjustment Budget | 14/12/2020 | 11/01/2021 | All Managers |
| Dept Finance to consolidate all information received | 11/01/2021 | 15/01/2021 | Manager: Budget |
| | | | |
| Workshop with MAYCO to finalize draft Adjustment Budget | 18/01/2021 | 22/01/2021 | CFO |
| Tabling of Adjustment Budget | 25/01/2021 | 29/01/2021 | Exec. Mayor |
| Stage 2(b): OPERATIONAL BUDGET | 01/12/2020 | 28/02/2021 | |
| Dept Finance provide working papers for Operational Budget | 01/12/2020 | 13/12/2020 | Manager: Budget |
| Departments provide inputs on Operational Budget | 14/12/2020 | 11/01/2021 | All Managers |
| Dept Finance to consolidate all information received | 11/01/2021 | 15/01/2021 | Manager: Budget |
| | | | |
| 1 st Workshop with MAYCO to finalize Operational Budget & Capital program | 08/02/2021 | 12/02/2021 | CFO |
| 2 nd Workshop with MAYCO to finalize Operational Budget & Capital program, if needed | 15/02/2021 | 19/02/2021 | CFO |

| 5.2.3 PHASE 3 – PREPARATION AND TABLING | Start 30/11/2020 | Finish 31/03/2021 | Responsibility |
|--|-----------------------------|------------------------------|--|
| Activities | | | |
| Stage 3: UPDATING OF IDP | 04/01/2021 | 28/02/2021 | |
| Update of IDP with most recent information | 04/01/2021 | 29/01/2021 | Manager: IDP |
| IDP Office to provide draft IDP document for scrutiny by departments | 01/02/2021 | 12/02/2021 | Manager: IDP |
| Departments provide inputs on draft IDP | 15/02/2021 | 26/02/2021 | All Managers |
| IDP Office to consolidate all information received and to compile the draft IDP | 01/03/2021 | 05/03/2021 | Manager: IDP |
| | | | |
| Workshop with Mayco on draft IDP, Operational Budget & Capital program | 08/03/2021 | 16/03/2021 | Exec. Mayor |
| Workshop with Council on IDP, Operational Budget & Capital program | 16/03/2021 | 23/03/2021 | Exec. Mayor |
| Tabling of Draft IDP & Budget | 23/03/2021 | 31/03/2021 | Exec. Mayor |
| Other activities during this phase | | | |
| Review Auditor- General's report | | | CFO |
| Witzenberg Municipality Inter-Governmental Relations Forum | 15/03/2021 | 31/03/2021 | Manager: IDP |
| Preparation/submission of reports: ➤ October Section 71 Report / Grant Report ➤ November Section 71 Report / Grant Report ➤ Compilation of draft Annual Report ➤ December Section 71 Report / Grant Report ➤ 2 nd Quarter SDBIP Report ➤ Half year performance assessment ➤ MinMay Tech/JPI's and MGRO | | | CFO CFO CFO Mun. Manager CFO Man: Performance CFO Mun. Manager Mun. Manager CFO CFO Dept Local Government |
| Provincial Integrated Development Plan Managers Forum | 02/03/2021 | 31/03/2021 | Department of Local Government |

| 5.2.4 PHASE 4 – CONSULTATION & INTEGRATION | Start 01/04/2021 | Finish 15/05/2021 | Responsibility |
|--|-----------------------------|------------------------------|-----------------------|
| Activities | | | |
| INTER-GOVERNMENTAL ENGAGEMENTS | | | |
| Submit and Publish the IDP, PMS, annual Budget and other required documents to relevant departments for comments and submissions | 01/04/2021 | 10/04/2021 | Manager: IDP |
| Council calls for inputs from sectors and community with closing date of 30 April 2020 | 01/04/2021 | 30/04/2021 | Manager: IDP |
| LGMTEC engagement | | To be announced | Prov. Government |
| Update information obtained during LGMTEC's | 01/04/2021 | 30/04/2021 | Manager: IDP |
| District municipality engagement with B-municipalities | | To be announced | Municipal Manager |
| PUBLIC CONSULTATION | | | |
| Publish Public Engagement timetable in the media, and distribute internally | 01/04/2021 | 30/04/2021 | Manager: IDP |
| Mail invitations to Sector representatives / IDP Representative Forum | 01/04/2021 | 30/04/2021 | Manager: IDP |
| Community Imbizo's / Meetings: | | | |
| Prince Alfred's Hamlet | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| N'dul | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| Wolseley | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| Bella Vista | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| Ceres | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| Op Die Berg | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| Tulbagh | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| Forum & sector meetings: Business & Agriculture | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| Meetings with Ward Committees | 01/04/2021 | 30/04/2021 | Exec. Mayor |
| IGR engagement to obtain sector Budget commitments | 01/04/2021 | 30/04/2021 | Manager: IDP |

| 5.2.4 PHASE 4 – CONSULTATION & INTEGRATION | Start 01/04/2021 | Finish 17/05/2021 | Responsibility |
|---|-----------------------------|------------------------------|-----------------------|
| Activities | | | |
| INTEGRATION | | | |
| Dept Finance to consolidate all information, comments and objections received on Budget | 03/05/2021 | 10/05/2021 | Manager: Budget |
| Screen and refine all Project Proposals | 03/05/2021 | 10/05/2021 | Manager: Projects |

| | | | |
|---|-----------------------|-----------------------|---------------------------------------|
| Refine the Spatial Development Framework | 03/05/2021 | 10/05/2021 | Snr Town Planner |
| Compile all Business Plans | 03/05/2021 | 10/05/2021 | All departments |
| Populate the SDBIP templates | 03/05/2021 | 10/05/2021 | All departments |
| Management considers submissions made by community, National and Provincial Treasury | 03/05/2021 | 10/05/2021 | Manager: Budget |
| Prepare a summary of the revised IDP | 03/05/2021 | 10/05/2021 | Manager: IDP |
| MAYCO meeting to consider the submissions and, if necessary, to revise the IDP and Budget | 11/05/2021 | 18/05/2021 | Municipal Manager |
| Other activities during this phase | | | |
| Witzenberg Municipality Inter-Governmental Relations Forum | 08/04/2021 | 18/04/2021 | Dir. Community Development |
| Preparation of reports: ➔ 3 rd Quarter SDBIP Report ➔ March Section 71 Report / Grant Report | | | Man: Performance CFO CFO |

| 5.2.5 PHASE 5 – APPROVAL | Start 20/05/2021 | Finish 31/05/2021 | Responsibility |
|---|-----------------------------|------------------------------|-----------------------|
| Activities | | | |
| Council workshop on draft Reviewed IDP and Annual Budget | 19/05/2021 | 24/05/2021 | Municipal Manager |
| Council meeting to approve Revised IDP, Performance Management measures and targets and the Annual Budget (At least 30 days before the new Budget year) | 25/05/2021 | 31/05/2021 | Municipal Manager |

| 5.2.6 PHASE 6 – FINALIZATION | Start 02/06/2021 | Finish 30/06/2021 | Responsibility |
|--|-----------------------------|------------------------------|-----------------------|
| Activities | | | |
| Management workshop to finalize the SDBIP's | 01/06/2021 | 11/06/2021 | Manager: Budget |
| Publish the IDP, annual Budget, all Budget-related documents and policies on the municipal website | 01/06/2021 | 11/06/2021 | Manager: IDP |
| Publish the 2020/2021 tariffs for public comment | 01/06/2021 | 11/06/2021 | Manager: Budget |
| Submit a copy of the IDP to the MEC, DPLG and Treasury (within 10 days of adoption) | 01/06/2021 | 11/06/2021 | Manager: IDP |
| Give notice to the public of the adoption of the IDP (within 14 days of the adoption of the plan) | 01/06/2021 | 11/06/2021 | Manager: IDP |

| | | | |
|--|--------------------------|--------------------------|--------------------------------|
| Publish a summary of the IDP and Budget in newspaper | 01/06/2021 | 11/06/2021 | Manager: IDP |
| Submit to Executive Mayor a draft SDBIP for the Budget year (within 14 days of approval of the Budget) | 01/06/2021 | 11/06/2021 | Municipal Manager |
| Submit to the Mayor drafts of the annual performance agreements (within 14 days of approval of Budget) | 01/06/2021 | 11/06/2021 | Municipal Manager |
| Make public the performance agreements of the Municipal Manager and senior managers (no later than 14 days after approval of the plan) | 01/06/2021 | 11/06/2021 | Municipal Manager |
| Submit the approved Budget to the National Treasury and the Provincial Treasury | 01/06/2021 | 11/06/2021 | CFO |
| Preparation of reports: ➤ May Section 71 Report ➤ Grant Reports | 01/06/2021 01/06/2021 | 11/06/2021 11/06/2021 | CFO CFO |
| Provincial Integrated Development Plan Managers Forum | 01/06/2021 | 30/06/2021 | Department of Local Government |
| The Mayor takes steps to ensure that the SDBIP is approved (within 28 days of approval of Budget) | 14/06/2021 | 30/06/2021 | Exec. Mayor |
| Make public the projections, targets and indicators in the SDBIP (within 14 days of approval of SDBIP) | 14/06/2021 | 30/06/2021 | CFO |
| Publish the performance agreements and service delivery agreements on the municipal website | 21/06/2021 | 30/06/2021 | Municipal Manager |
| Submit copies of the performance agreements to Council and the MEC for Local Government | 21/06/2021 | 30/06/2021 | Municipal Manager |

6. CONCLUSION

The IDP and Budget Process Plan ensure that the role-players within the process are well prepared. All activities outlined within this document have been prepared in close inter-relation with the Framework that governs both the District and all local municipalities.

WITZENBERG

MUNISIPALITEIT

UMASIPALA

MUNICIPALITY

- MEMORANDUM -

AAN / TO: Municipal Manager
VAN / FROM: Acting Director Finance
DATUM / DATE: 23 July 2020

REQUEST FROM DBSA FOR FUNDING: REVENUE ENHANCEMENT PROJECT

BACKGROUND

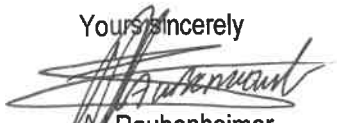
The municipality was contacted during June 2020 to consider application for funding from Development Bank South Africa (DBSA). We prepared the letter and business plan for consideration. But part of the application process is the commitment from Council to the project. Attached to this memorandum is the application letter and business plan. We have already engaged with DBSA and they are currently giving consideration provincially, but requires Council's commitment. A pro-forma commitment for consideration is attached as provided by DBSA.

REQUEST

That council resolve that:

- I. Council hereby approves the Project, accepts the DBSA's grant funding and Revenue Enhancement Programme and supports the implementation of the project and in terms of the Grant Agreement as to be agreed by both parties.
- II. The "Municipal Manager" / "Accounting Officer" is hereby authorised and mandated to sign the Grant Agreement on its behalf, and to sign and/or dispatch all documents and notices to be signed and/or dispatched by it or in connection with the Agreement.
- III. Municipal Manager to provide the DBSA with the Designated and Authorised Signatories, any of whom shall represent the Municipality on the Project Steering Committee for the purposes stated in the Grant Agreement;
- IV. The municipality provides the relevant FICA documentation required by the DBSA in terms of regulations 3,4,5 and 6 of FICA (the Financial Intelligence Centre Act, 38 of 2011)
- V. Accordingly, the municipality is obliged to enter into a Grant Agreement ("the Agreement") with the DBSA, in terms of which the DBSA will make available a grant to the benefit of the Municipality for the execution of the Project.
- VI. Pursuant to the Agreement, the Municipality agreed and acknowledged that the Grant Amount shall be paid to the Professional Service Provider, appointed by the DBSA, for the provision of the services relating to the Project for the benefit of the Municipality

Yours sincerely



A. Raubenheimer
Acting Director: Finance

Enquiries/Navrae/Imibuzo: AJ Raubenheimer
Tel: (023) 316 8193
E-mail: arauenheimer@witzenberg.gov.za

Development Bank of Southern Africa
1258 Lever Road
Head Way Hill
Midrand
1685
Attention:

Dear Sir/Madam

Subject: Request for DBSA support regarding the Implementation and completion of the Revenue Enhancement

We refer to the discussion between DBSA representative in Mr. John Frame and the myself A Raubenheimer Acting CFO of the Municipality on the above subject matter. The Witzenberg Municipality hereby requests DBSA support for a revenue enhancement project. Please find attached to this letter the detailed motivation and business case for the revenue enhancement project support requested from the DBSA.

The Municipality hereby commits and undertakes that during and upon the completion of the revenue enhancement project, the Municipality will take full responsibility and ownership with the aim to continuously strive to implement and identified revenue streams.

In particular, the Municipality will engage and collaborate DBSA, Western Cape Department of Local Government and other relevant departments playing an integrated role in the execution of this revenue enhancement plan.

The revenue enhancement project has been prioritised and will be included in the municipalities long term financial plan. Future budgetary allocation will be made towards the continuation of the project as far as affordable to the municipality, with the aim for maximum revenue streams realisation. The current financial constraints and the impact of COVID-19 on municipal revenue makes it impossible to fund this project from own revenue at this stage.

Your urgent favourable response will be appreciated.

Yours faithfully



AJ RAUBENHEIMER
ACTING CHIEF FINANCIAL OFFICER

**BUSINESS PLAN: WITZENBERG
MUNICIPALITY: REVENUE
ENHANCEMENT PROCESS
2020/2021 – 2021/2022**

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1 INTRODUCTION

Revenue management in local government is essential as it concerns if a municipality will have the necessary funds to finance its operational and capital expenditure to render the constitutional functions to the public in its area. It is common cause that municipalities will in future receive less funding from the National Treasury, as a consequence of less revenue being raised nationally by the South African Revenue Service, due to a multitude of reasons. The effects of COVID-19 on revenue management outcomes are also an essential matter for consideration, as this will have a lasting impact on the municipality's revenue structures and revenue assumptions in determining revenue tariffs.

It is with the above reality in mind that the Witzenberg Local Municipality ("the municipality") has concluded to devise a revenue enhancement project which it will implement from the 2020/2021 to the 2021/2022 period. This document will accordingly address the main aims of the revenue enhancement project which the municipality will pursue.

Any tariff adjustments etc. stemming from this project will be processed for the 2021/2022 budget, hence the two-year plan. The outcome of the process will, however, not deviate from the municipality's integrated revenue management framework that "those who can pay for services must pay" and that "indigent customers service usage must be limited to what they can afford".

The process' ultimate aim is to protect our revenue streams, identify revenue enhancement opportunities, and to contribute to the practical, yet innovative revenue management system. The revenue project will be managed by a dedicated official of the municipality, which will actively oversee the appointed turnkey service provider. The municipality acknowledges that the revenue project is a complex but necessary in light of the current and future economic environment.

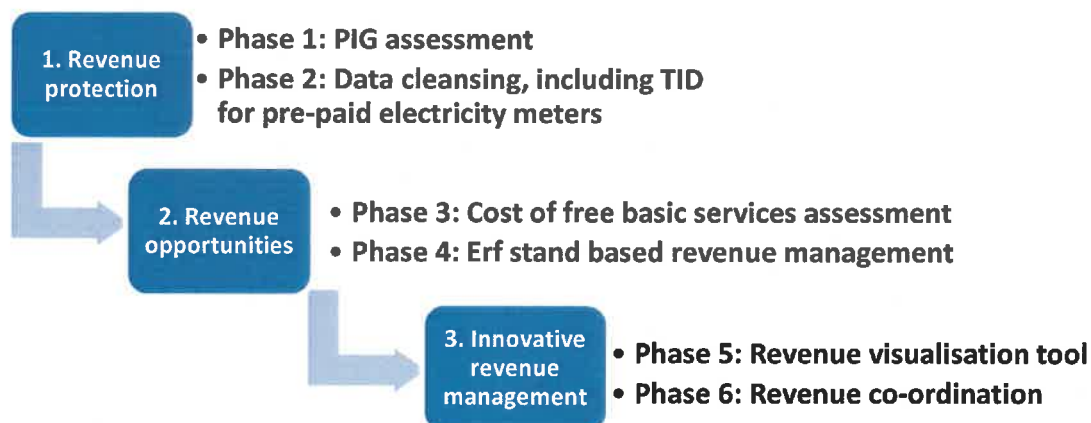
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2 PROJECT PHASES

The municipality has planned that the project will consist of six (6) distinct, but interrelated phases. The six phases broadly will be the following:

- Phase 1: Peg-in-the ground assessment of revenue management at the municipality, including an evaluation, mapping of the revenue systems in place at the municipality, up to reporting level;
- Phase 2: Data cleansing of the details of the debtors' book, including detail analysis of revenue streams to tariff book and revenue reporting; and including Token Identifier rollover for prepaid electricity meters;
- Phase 3: A specific evaluation of free basic services resources increases and its actual impact on cost drivers in the municipality;
- Phase 4: Erf-based revenue management process, linking stand information to Town Planning, GIS, Deeds office, building applications, basic services applications, and meter installations, etc.;
- Phase 5: Develop a revenue visualisation tool, which should have accurate data from the system;
- Phase 6: Finally, the outcome of this project is to improve revenue coordination across the various departments in municipalities to break down the silo effect and enhance service delivery at reduced cost.

We diagrammatically see the process as follows:



[Handwritten signatures]

The different phases will now be briefly explained to provide a practical context for each step.

2.1 Phase 1: Peg-in-the-ground assessment (PIG assessment)

The peg-in-the-ground assessment is the first step in the process and is required to identify the primary revenue management framework actually in place in the municipality. Our perception of the revenue management reality at the municipality might be different from the practical reality of the revenue management in the municipality. This phase is also necessary to identify revenue management issues that can be implemented immediately.

The core activities included in this phase are the following:

- A desktop assessment of the municipality's current revenue management framework in place;
- Identifying practical revenue management gaps;
- The PIG assessment must include the tariff determination process, budgeting process, tariff amendment, and revenue reporting processes;
- Identifying realistic new revenue streams, which can be implemented from 2021/2022;
- PIG assessment report; and
- Finalise a detail project plan, after the completed PIG assessment.

2.2 Phase 2: Data cleansing

It is common fact that updated customer data is essential to ensure that the correct person is billed, at the right tariff. Customer data accuracy is critical to ensure that all revenue is billed. The current COVID-19 pandemic and Post-office delivery issues also created a specific need to ensure that more monthly invoices should be e-mailed instead of being posted. This will ensure that debtors are informed about their revenue billing amounts timeously.

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This data cleansing phase will also be unlike other data cleansing projects, as it will specifically include a Token Identifier rollover sub-phase for prepaid electricity meters in light of the 2024 deadline.

The core activities included in this phase are the following:

- Identifying missing customer data details in the financial system;
- Amend customer data details in the financial system to reflect latest and accurate information;
- Specific sub-focus on completion of accurate e-mail customer data fields;
- Ensure that customer ward data fields are accurate to ensure future ward customer analysis for interventions;
- Token Identifier rollover project; and
- Ensure that the correct service tariffs are linked to customers in terms of the municipality's policies.

2.3 Phase 3: Cost of free basic services analysis

It is common knowledge that the National Treasury, via its equitable share, tries to fund the costs of providing services to the indigent customers for free. It is, however, a fact that indigent customers use more services that they cannot afford, which ultimately contributes to the municipality's cost recovery for the free services, being insufficient. The municipality can, however, not currently determine an accurate under-recovery amount in rendering the free basic services.

The core activities included in this phase are the following:

- Costing of the provision of the free basic services currently and expected costs for the 2020/2021 year and after that;
- Analysing the wards, and specific customers that contribute to the under-recovery of costs relating to the free basic services;
- Identifying the main cost drivers of providing free basic services;

Two handwritten signatures in black ink, one on the left and one on the right, both appearing to be stylized and possibly representing the same person or different individuals.

- Identifying the actual quantity of indigent customers benefiting from free services versus the number of indigent customers being billed;
- Identifying the futuric cost-impacts of future housing developments, and its impact on the cost of providing free basic services; and
- Finalise cost-of-free basic services report.

2.4 Phase 4: Erf stand revenue-based management

This phase aims to reconcile the erf stands data in the financial system to other stand specific data available within the municipality and external persons. This phase primarily includes the linking of stand information to town planning information, GIS, deeds office, building applications, basic services applications, general valuation roll, and meter installations, etc. The integration and comparison of the various sources of individual stand information will ensure that the municipality identifies erf stands not billed for services, but of equal importance to determine if the erf stands are billed at the correct tariff.

The core activities included in this phase are the following:

- Reconcile the current erf stand information to town planning information, GIS, deeds office, surveyor-general reports, building applications, basic services applications, general valuation roll, and meter installations, etc.;
- Identify errors in current erf stand information concerning amongst others valuations, tariff usage and completeness of erf stands in the financial system;
- Correct errors in erf stand information in the financial system;
- Recover lost-revenue of erf stand information errors; and
- Finalise erf-stand reconciliation report.

2.5 Phase 5: Revenue visualisation tool/application

While Phase 4 of the project has its aim of reconciling the erf stand information from various sources, Phase 5, stemming from Phase 4, has the objective of the development

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of a revenue visualization tool/application. The application contemplated must be a day-to-day application that will aid revenue management daily and should accordingly supplement the financial system information.

The ultimate aim of the application will be to enhance revenue management from a billing perspective. Still, it ultimately should lead to a situation where the municipality can perform what-if revenue scenarios for future tariff determinations within the shortest time.

As such, the contemplated application should not just be "a view application", but should provide for meaningful municipal information reports, which can be amended over time. The application should also cover exception reports determinable based on municipal parameters. The application should innovatively complement the financial system's customer information capabilities, and such should integrate with the municipality's customer financial system and revenue management activities.

The municipality will become the owner of the contemplated developed revenue visualisation application.

2.6 Phase 6: Revenue coordination

Phase 6 of the project is the contribution of all the previous five phases, and it's the continuous application of the outcomes of the earlier phases on an operational level. Without this phase of the project, we believe the success of the project will be meaningless.

It is well acknowledged that the finance department of a municipality is but a cog in the whole revenue cycle and that the revenue management framework is an entire municipality framework. The current silos of, for example, the planning department having current systems in place which are not available to the finance department or not used by the finance department contribute to revenue loss in a municipality. This phase will accordingly rely heavily on the outcomes of previous phases and will, therefore, incorporate lessons learned from the earlier phases.

The core activities included in this phase are the following:



- Review and confirm the roles & responsibilities of the various departments for revenue management in the municipality;
- Map the core inter-departmental revenue processes of the municipality;
- Draft or amend standard operating procedures with a specific focus on areas where inter-departmental activities are necessary in the revenue chain;
- Facilitate inter-departmental workshops to workshop the revenue management changes determined;
- Implement the revenue management strategies identified and approved for implementation; and
- Provide meaningful training to staff affected by the revenue management changes and use of the revenue visualisation application.

3 HIGH-LEVEL PROJECT SCHEDULE

The project consists of six interrelated phases, as the phases logically flow into the next phase. Below is the contemplated project schedule:

| <u>No:</u> | <u>Project phase:</u> | <u>2020</u> | | <u>2021</u> | | | |
|------------|---|-------------|-----------|-------------|-----------|-----------|-----------|
| | | <u>Q3</u> | <u>Q4</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> |
| 1 | Phase 1: Peg-in-the-ground assessment | | | | | | |
| 2 | Phase 2: Data cleansing | | | | | | |
| 3 | Phase 3: Cost of free basic services analysis | | | | | | |
| 4 | Phase 4: Erf stand revenue-based management | | | | | | |
| 5 | Phase 5: Revenue visualisation tool | | | | | | |
| 6 | Phase 6: Revenue coordination | | | | | | |

The project will be completed within 18 months, including the SCM processes and the close-down of the project.

4 BUDGETED COSTS

The budgeted costs of the project are R2,75 million inclusive of VAT, and the contemplated cost per phase is as follows:

| <u>No:</u> | <u>Project</u> | <u>Budgeted amount (R)</u> |
|------------------------------|---|---------------------------------------|
| 1 | Phase 1: Peg-in-the-ground assessment | 250,000.00 |
| 2 | Phase 2: Data cleansing | 1,000,000.00 |
| 3 | Phase 3: Cost of free basic services analysis | 250,000.00 |
| 4 | Phase 4: Erf stand revenue-based management | 500,000.00 |
| 5 | Phase 5: Revenue visualisation tool | 1,000,000.00 |
| 6 | Phase 6: Revenue co-ordination | 250,000.00 |
| Total cost of project | | 2,750,000.00 |

Kind regards



D. Nasson

Municipal Manager: Witzenberg Municipality

EXTRACTS OF MINUTES OF THE COUNCIL MEETING OF **(INSERT THE NAME OF MUNICIPALITY HERE)**
("THE MUNICIPALITY") HELD ON **(INSERT THE DATE HERE)** IN TERMS OF THE LOCAL GOVERNMENT:
MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003 (THE "ACT") AND / OR ANY OTHER
RELEVANT LEGISLATION.

COUNCIL MEETING ON: **(INSERT THE DATE HERE)**

RESOLUTION NUMBER: **(INSERT THE RESOLUTION NUMBER HERE)**

1. WHEREAS:

- I. The council had on **(INSERT the date here)** resolved to request support from the DBSA regarding the development of Witzenberg Revenue Enhancement Project ("**the Project**") for **(INSERT NAME OF MUNICIPALITY HERE)**.
- II. Accordingly, the municipality is obliged to enter into a Grant Agreement ("the Agreement") with the DBSA, in terms of which the DBSA will make available a grant to the benefit of the Municipality for the execution of the Project.
- III. Pursuant to the Agreement, the Municipality agreed and acknowledged that the Grant Amount shall be paid to the Professional Service Provider, appointed by the DBSA, for the provision of the services relating to the Project for the benefit of the Municipality.

2. RESOLVED THAT:

- I. Council hereby approves the Project, accepts the DBSA's grant funding and Revenue Enhancement Programme and supports the implementation of the project and in terms of the Grant Agreement.
- II. The "Municipal Manager" / "Accounting Officer" is hereby authorised and mandated to sign the Grant Agreement on its behalf, and to sign and/or dispatch all documents and notices to be signed and/or dispatched by it or in connection with the Agreement.
- III. Municipal Manager to provide the DBSA with the Designated and Authorised Signatories, any of whom shall represent the Municipality on the Project Steering Committee for the purposes stated in the Grant Agreement;
- IV. The municipality provides the relevant FICA documentation required by the DBSA in terms of regulations 3,4,5 and 6 of FICA (the Financial Intelligence Centre Act, 38 of 2011)

CERTIFIED AS A TRUE REFLECTION AND EXACT EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON **(INSERT THE DATE HERE)**.

SIGNED BY: _____ **(authorise person who sign council resolution)**

NAME: _____ **(authorise person who sign council resolution)**

DESIGNATION: _____

DATE: _____

CIRCULAR 16 / 2020

FROM : CHIEF EXECUTIVE OFFICER

TO : EXECUTIVE MAYORS / MAYORS
SALGA PROVINCIAL CHAIRPERSONS
SALGA NATIONAL EXECUTIVE COMMITTEE
CITY/MUNICIPAL MANAGERS

DATE : 26 APRIL 2020

SOLIDARITY PLEDGES TO CONTRIBUTE TOWARDS THE CURBING OF THE SPREAD OF AND IMPACT OF COVID-19

The President of the Republic, His Excellency Cyril Ramaphosa announced the establishment of a Solidarity Fund on 23 March 2020 to unite the nation in our response to the COVID-19 crisis. The Solidarity Fund has created a platform for all South Africans, from the public and private sectors, civil society, as well as the general public, to contribute to one consolidated effort.

Following the President's announcement on 9 April 2020 that members of the Cabinet and Deputy Ministers will each take a one-third salary cut for the next three (3) months as a contribution towards the Solidarity Fund; a number of public representatives and executives of large companies have responded to the President's call by similarly pledging salary contributions to the Fund.

The SALGA National Executive Committee (NEC) meeting of 10 April 2020, considered whether local government as a sector, should also respond to the President's call and if so, how? During the discussions, the SALGA NEC noted the following:-

- Acknowledgement that Councillors are the least paid public office bearers which is evidenced by the huge salary gap between local and both provincial and national public office bearers;
- Both Councillors and Senior Managers are yet to receive their annual increase for the 2019/20 financial year

which is to be back dated to 1 July 2019; and

- As a commitment and good will it is necessary for local government to respond as a collective to the President's call.

SALGA NEC RESOLUTIONS pertaining to COVID-19

As such the SALGA NEC resolved to recommend that:-

1. Councillors, municipal officials and SALGA Staff should respond to the President's Call;
2. Councillors should pledge to contribute the 4% annual increment for the months of April, May & June 2020;
3. Senior Managers of municipalities and SALGA staff should pledge their annual increment for the months of April, May & June 2020;
4. the South African Local Government Bargaining Council should be approached to recommend that municipal bargaining staff make a similar contribution over the next three (3) months;
5. Every municipality considers establishing a Municipal Solidarity Fund Linked to COVID-19 and other related future municipal support initiatives;
6. All pledges/contributions should be paid into the Municipal Solidarity Fund;
7. The contributions from Councillors and municipal officials should constitute seed funding for the Municipal Solidarity Fund to encourage other stakeholders and role players within the municipal area to contribute;
8. All contributions so made should be used at a municipal level, linked to a COVID-19 programme targeting the vulnerable in the community and to immediately fund high-impact initiatives such as improving the well-being of targeted communities, Combatting Homelessness; Food Security and assistance to informal traders; Safe Havens and the unemployed and job seeking young people.

Informed by the aforementioned SALGA NEC resolutions, we are therefore calling on municipalities to positively consider the recommendations. Kindly note that with regard to resolution 4 above, we are consulting with SAMWU and IMATU and will provide an update upon conclusion thereof. For the benefit of providing clarity and certainty on the Municipal Solidarity Funds to be so established, we attach hereto a draft framework for establishing Municipal Solidarity Funds with generic terms of reference.

Proposed Processing of the Solidarity Fund Contributions

Within the context of the current national lockdown due to the COVID-19 pandemic, municipalities are reminded that **physical meetings of Council are suspended until after the lockdown**. It therefore requires municipalities, in

considering this matter in addition to the Upper Limits Notices for Councillors and Senior Managers, to consider convening virtual meetings of Council. If this is not feasible, municipalities may consider any other measure prescribed in the Rules of Council, including round robin, where provided for.

Proposed Council Resolutions

In so doing, and to provide guidance to municipalities, Municipal Councils should consider the following proposed resolutions:-

1. THAT Councillors and municipal officials should respond to the President's Call;
2. APPROVE that Councillors pledge to contribute the 4% annual increment for the months of April, May & June 2020;
3. RECOMMEND that Senior Managers, which includes the Municipal Manager and Managers directly reporting to the Municipal Manager, should pledge their annual increment for the months of April, May & June 2020;
4. APPROVE the establishment of a Municipal Solidarity Fund linked to COVID-19 and other related future municipal support initiatives;
5. APPROVE the terms of reference for the establishment of the Municipal Solidarity Fund;
6. APPROVE that all pledges/contributions should be paid into the Municipal Solidarity Fund;
7. APPROVE that the contributions from Councillors and municipal officials will constitute seed funding for the Municipal Solidarity Fund; and
8. APPROVE that the seed funding may be used to encourage other stakeholders and role players within the municipal area to similarly contribute towards the Municipal Solidarity Fund.

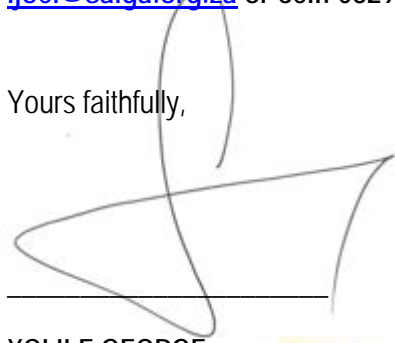
Our attention has also been drawn to requests made to municipalities by either political parties or professional bodies for deductions to be effected from their respective members. We would in this regard remind municipalities that in terms of Section 34 (1) of the Basic Conditions of Employment Act, deductions from an employee's remuneration without the employee's consent is prohibited. Therefore, for any deductions to be made, municipalities would have to secure the necessary consent from each employee, similarly that of councillors.

Once again, mindful that we are dealing with extraordinary circumstances, which require extraordinary action and responses at a local level, SALGA is calling on all councillors and municipal officials to contribute towards this fight against COVID-19. It is only through these means that we can collectively defeat this pandemic and ensure the safety of our communities.

To support your endeavours, we will also make available our SALGA support expertise, including IT related support for

virtual meetings, and any queries may be directed to Mr Lance Joel at SALGA National Office per email ljoel@salga.org.za or cell: 0829083335.

Yours faithfully,



XOLILE GEORGE
CHIEF EXECUTIVE OFFICER



MUNICIPAL SOLIDARITY FUND

APRIL 2020

1. OVERVIEW OF THE MUNICIPAL SOLIDARITY FUND

- 1.1 The President of the Republic, His Excellency President Cyril Ramaphosa announced the establishment of a national Solidarity Fund on 23 March 2020 to unite the nation in its response to the COVID-19 crisis. As a direct contribution from local government, a Municipal Solidarity Fund (herein after referred to as the Fund) is created as a platform for all councillors, municipal officials, stakeholders, civil society, as well as the general public, to contribute to a consolidated effort at a local municipal level.
- 1.2 The Fund is a rapid response vehicle designed to fund impactful municipal initiatives that will augment the national response, contribute to a national humanitarian effort and mobilise local communities to act to stop the virus and support their compatriots.
- 1.3 While it will work closely with the Municipality, it is separate and independent from the municipality. It is the custodian of money donated by Councillors, municipal officials and stakeholders, civil society and the general public and it is accountable to them.
- 1.4 The Fund is independently administered and transparently governed. It aims to ensure that all contributions are responsibly administered and disbursed to have the greatest possible impact in combatting the COVID-19 pandemic and other future municipal support initiatives and ameliorating its effects.

2. MANDATE OF THE MUNICIPAL SOLIDARITY FUND

- 2.1 The Fund is required to mobilise and coordinate financial and in-kind contributions from councillors, municipal officials, stakeholders, civil society, as well as the general public.
- 2.2 The Fund is required to use funds raised and other in-kind contributions to both ameliorate the COVID-19 pandemic and the social consequences of the pandemic.
- 2.3 The Fund is required to bring the local community ofMunicipality together to play their part in combatting COVID-19 and any other municipal support initiatives.
- 2.4 The Funds' guiding principles are:
 - 2.4.1 Target interventions that are catalytic and complement, enhance or augment those provided by the State at a local municipal level.
 - 2.4.2 Gap funding that accelerates the delivery of critical interventions.
 - 2.4.3 Interventions that will support the most vulnerable citizens.

3. FOCUS AREAS OF THE MUNICIPAL SOLIDARITY FUND

- 3.1 The Fund will be a rapid response vehicle through which pooled contributions can be deployed to immediately fund high-impact initiatives in the following key focus areas:
 - 3.1.1 **Social development:** Improving the well-being of targeted communities affected by the COVID-19 pandemic so that they can move forward on their path to self-sufficiency.
 - 3.1.2 **Combating Homelessness:** A community driven response to ending family and youth Homelessness.
 - 3.1.3 **Food Security:** Ensure that communities affected by COVID-19 have physical, social, and economic access to sufficient, safe, and nutritious food and addressing dietary needs for an active and healthy life.
 - 3.1.4 **Informal Traders:** Support interventions for informal traders.
 - 3.1.5 **Safe Havens:** Support to institutions taking care of abused women and children.
 - 3.1.6 **Unemployment:** Assistance to the unemployed and job seeking young people.

4. GOVERNANCE

- 4.1 The Fund is governed by a strong, independent board of directors that brings diverse views and perspectives to the work of the Fund.
- 4.2 The Board will include representation as follows:-
 - 4.2.1 The Executive Mayor/Mayor ofMunicipality (Chairperson);
 - 4.2.2 Two (2) Councillors from theMunicipality;
 - 4.2.3 Two (2) representatives from Organised Labour;
 - 4.2.4 Two (2) representatives from the local civic movement;
 - 4.2.5 The Chairperson of theMunicipality Audit Committee;
 - 4.2.6 One (1) representative from the Local Business Chamber or his/her nominee;
 - 4.2.7 One (1) representative from the Local Religious Leaders;
 - 4.2.8 One (1) representative from the Local Traditional Leadership;
- 4.3 The Municipal Manager will establish a team to provide administrative support to the Board of the Fund.
- 4.4 The board will operate with high standards of corporate governance and established relevant sub-committees, with membership of no more than five (5) members from different stakeholders, which may include:
 - 4.4.1 A Disbursements Committee to interrogate all disbursement proposals;
 - 4.4.2 An Audit and Risk Committee;
 - 4.4.3 A Fundraising Committee which will drive the Fund's fundraising efforts and ensures appropriate processes are in place to safeguard the highest levels of accountability to funders and donors.
- 4.5 The Fund will open a separate and independent bank account;
- 4.6 The Fund will develop a governance framework that will guide the allocation and spending of all funds.

5. REPORTING

- 5.1 The Fund will be independently audited by the Auditor General of South Africa.
- 5.2 The Fund is committed to complete transparency. The Fund will report and make public all donations and all payments from the Fund and share these with the public on an ongoing basis.