

**REPORT TO COUNCIL: 31 MAY 2023**

**REVISED 2023/2024 INTEGRATED DEVELOPMENT PLAN, 2023/2024  
MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)  
AND FINAL BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP)  
2023/2024: BCMM CATALYTIC LAND DEVELOPMENT PROGRAMMES**

[File No: 4/3/2/1]

AUTHOR: Acting Executive Mayor (M. Mfazwe)/ns

**1. PURPOSE**

The purpose of this report is for Council to adopt the Revised 2023/2024 Integrated Development Plan (IDP), 2023/2024 Medium-Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP): BCMM Catalytic Land Development Programmes.

**2. AUTHORITY**

Buffalo City Metropolitan Council.

**3. LEGAL / STATUTORY REQUIREMENTS**

- 3.1. The Constitution of the Republic of South Africa, Act 108 of 1996
- 3.2. The Municipal Systems Act no. 32 of 2000, as amended and Regulations
- 3.3. The Municipal Structures Act no. 117 of 1998
- 3.4. The Municipal Finance Management Act no. 56 of 2003; and its Regulations
- 3.5. The Municipal Property Rates Act no. 6 of 2004
- 3.6. Municipal Budget and Reporting Regulations, 2009
- 3.7. Division of Revenue Bill, 2023
- 3.8. MFMA Circular 122 and 123
- 3.9. The Disaster Management Act no. 57 of 2002 and Regulations

## **4. BACKGROUND**

### **4.1 Integrated Development Plan (IDP)**

Council adopted an IDP/Budget/Performance Management System (PMS) Process Plan, in compliance with section 28 of the Municipal Systems Act no. 32 of 2000 as amended. In the time schedule required in accordance with s21(1)(b) of the MFMA, the Budget, IDP and Performance Management processes have been integrated with the IDP Process to ensure alignment, efficiency, effectiveness and cost savings. The plan outlines the process to be followed in reviewing Buffalo City Municipality Metro's Integrated Development Plan (IDP) and Budget Preparation.

In terms of section 30(c) of the Municipal Systems Act, the Executive Mayor of a municipality must submit the Integrated Development Plan to the municipal council for adoption.

In compliance with the above, Buffalo City Metropolitan Municipality has embarked on a process to review its IDP and Budget towards the 2023/2024 financial year and beyond in accordance with the requirements set out in the Municipal Systems Act 32 of 2000 as amended, the Local Government: Municipal Planning and Performance Management Regulations 2001 & 2006 and the Municipal Finance Management Act 56 of 2003.

In adherence to legislative prescripts, the Buffalo City Metropolitan Municipality's 2021/2026 IDP has been reviewed for the second year and amendments thereto are submitted to Council for adoption. Kindly refer to table 1 below for the structure of the IDP. The Revised 2023/2024 Buffalo City Metropolitan Municipality Integrated Development Plan is attached hereto as **Annexure A.**

**Table 1: Structure of Revised 2022/2023 Integrated Development Plan**

<b>SECTION A</b>	<b>INTRODUCTION</b> Provides an outline of the legislative imperatives which guide the review of the integrated development plan. An overview of national and provincial plans which were taken into consideration during the development of the plan and an outline of the process that was followed during the review of the IDP form part of this Section.
<b>SECTION B</b>	<b>BCMM PROFILE AND ANALYSIS</b> This section provides an overview of the municipality focusing on the current situation, key challenges and opportunities in terms of each key performance area. Service delivery backlogs and level of access to municipal services is also outlined.
<b>SECTION C</b>	<b>SPATIAL DEVELOPMENT FRAMEWORK</b> The SDF provides a spatial analysis of the Municipality, details the spatial development principles / guidelines with accompanying maps indicating the spatial objectives and strategies of the Municipality.
<b>SECTION D</b>	<b>ONE PLAN: THREE SPHERES SERVICE DELIVERY BUDGET, PROGRAMMES AND PROJECTS</b> The catalytic programmes and projects from all three spheres of government operating in the BCMM space as converged with the global, national and provincial strategic directives are clustered in accordance with the Six Key Transformational Areas of the District Development Model/One Plan.
<b>SECTION E</b>	<b>DEVELOPMENT OBJECTIVES, STRATEGIES, KEY PERFORMANCE INDICATORS AND TARGETS</b> Contains the development objectives, strategies, indicators and targets for the entire term of Council as revised for the year under review.
<b>SECTION F</b>	<b>FINANCIAL PLAN</b> A strategic framework for financial management, key financial policies and strategies are outlined in this section. Budget Priorities in the form of projects and programmes as aligned with the Five MGDS/IDP Strategic Outcomes provide clarity on how the metro plans to converge strategic priorities with the allocation of appropriate resources to enable effective implementation of the IDP.
<b>SECTION G</b>	<b>BCMM OPERATIONAL PLAN</b> This section outlines the structure of the municipality providing a breakdown for each directorate, the status of the macro-structure and the policy environment informing the governance agenda of the metro.

Section 25(3) (a) of the Municipal Systems Act prescribes that a newly elected Council, may adopt the IDP of the previous Council. Section 26 (2) of the Municipal Systems Act states that an Integrated Development Plan adopted by a municipal Council may be amended in terms of section 34 of the Municipal Systems Act.

One of the key recommendations that will be tabled to Council is the proposed amendments emanating from the IDP revisions for the 2023/2024 financial year.

#### **4.2 Medium Term Revenue and Expenditure Framework (MTREF) Budget**

Section 16(1) of the Municipal Finance Management Act (MFMA) stipulates that the Council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. Section 16(2) stipulates that in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting 90 days before the start of the budget year.

Section 22 of the MFMA states that immediately after an annual budget is tabled in a municipal council, the accounting officer must make public the annual budget and documents in terms of Section 17; invite the local community to submit representations in connection with the budget; and submit the annual budget to the National Treasury and the relevant Provincial Treasury in printed and electronic formats.

In terms of section 23(2) of the MFMA, after considering all the budget submissions, the Council must give the Executive Mayor an opportunity:

- (a) To respond to the submissions; and
- (b) If necessary, to revise the budget and table amendments for consideration by the Council.

In terms of section 24 of the MFMA:

- 1) "The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
- 2) An annual budget—
  - (a) must be approved before the start of the budget year;
  - (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
  - (c) must be approved together with the adoption of resolutions as may be necessary—
    - (i) imposing any municipal tax for the budget year;
    - (ii) setting any municipal tariffs for the budget year;

- (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
- (iv) approving any changes to the municipality's integrated development plan; and
- (v) approving any changes to the municipality's budget-related policies.

3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury."

**5. EXPOSITION OF FACTS**

**5.1 INTEGRATED DEVELOPMENT PLAN (IDP)**

**5.1.1 PROCESS UNDERTAKEN**

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan. In compliance with this requirement Buffalo City Metropolitan Municipality undertook the following activities (table 2 below) in line with the IDP process towards the 2023/2024 financial year:

**Table 2: IDP Process Undertaken**

NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
<b>JUL – AUG: Preparing for the IDP, Budget and Performance Management Process</b>		
1.	Top Management: <ul style="list-style-type: none"> <li>• To consider and recommend that IDP / Budget / PMS Process Plan and Time Schedule be approved by Council (at least 10 months before the start of the budget year)</li> </ul>	28/07/2022
2.	Strategic Development Portfolio Committee: <ul style="list-style-type: none"> <li>• To consider and recommend that IDP / Budget / PMS Process Plan and Time Schedule be approved by Council (at least 10 months before the start of the budget year)</li> </ul>	03/08/2022



NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
3.	Budget Steering Committee: <ul style="list-style-type: none"> <li>• To consider and recommend that IDP / Budget / PMS Process Plan and Time Schedule be approved by Council (at least 10 months before the start of the budget year)</li> </ul>	05/08/2022
4.	Top Management: <ul style="list-style-type: none"> <li>• To consider 2022/2023 First Adjustment Budget &amp; the 2021/2022 Fourth Adjustment Budget and recommend these being approved by Council</li> </ul>	05/08/2022
5.	Councillors and Traditional Leaders' Workshop <ul style="list-style-type: none"> <li>• To consider the IDP / Budget / PMS Process Plan and Time Schedule before formal submission to Council for approval (at least 10 months before the start of the budget year)</li> <li>• To consider 2022/2023 First Adjustment Budget &amp; the 2021/2022 Fourth Adjustment Budget before tabling in Council for approval</li> </ul>	12/08/2022
6.	External IDP/Budget/PMS Representative Forum: <ul style="list-style-type: none"> <li>• To consult external stakeholders on the Draft IDP / Budget / PMS Process Plan and Time Schedule and the Buffalo City Metropolitan One Plan</li> </ul>	16/08/2022
7.	Council: <ul style="list-style-type: none"> <li>• To approve IDP / Budget / PMS Process Plan and Time Schedule (at least 10 months before the start of the budget year), the 2022/2023 First adjustment budget (to be tabled before 25 August 2022) and the 2021/2022 Fourth Adjustment budget.</li> <li>• Note SDBIP approved by Executive Mayor and performance agreements signed by Municipal Manager and Managers directly accountable to the Municipal Manager to Council for notification</li> </ul>	24/08/2022
<b>SEPT – OCT: PHASE 1- Research Information Collection and Analysis</b>		
8.	Technical Transversal Planning Sessions led by Management: <ul style="list-style-type: none"> <li>• To compile and report on consolidated narrative and data on the planned investment footprint of other spheres in the metro space for reporting to BCMM Political and Technical IGR Fora.</li> </ul>	Sept – Oct 2022
9.	Technical IGR Forum: <ul style="list-style-type: none"> <li>• To present Update on the BCMM Integrated Development Plan; and</li> </ul>	19/08/2022

NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
	<ul style="list-style-type: none"> <li>To prepare for Three-Spheres Technical Planning Session</li> </ul>	
10.	<p>Top Management</p> <ul style="list-style-type: none"> <li>To consider Ward Priorities and Mayoral Imbizo Report as updated by Senior Management</li> </ul>	22/09/2022
11.	<p>Ward Public Meetings</p> <ul style="list-style-type: none"> <li>To collect ward community needs from the broader public and stakeholders in the wards and identify Ward Priorities through Ward Public Meetings</li> </ul>	September – December 2022
12.	<p>Ward Priorities Sessions with Ward Committees:</p> <ul style="list-style-type: none"> <li>Ward Councillors, together with Ward Committees compile/review ward profiles and ward priorities.</li> </ul>	September – December 2022
13.	<p>Pre-Mayoral Imbizo Sessions:</p> <ul style="list-style-type: none"> <li>To consult Councillors to verify content for the Executive Mayoral Imbizos, including the status report on 2016/2021 Ward Priorities</li> </ul>	<p>Inland – 28/09/2022</p> <p>Midland – 28/09/2022</p> <p>Coastal – 29/09/2022</p>
14.	<p>Executive Mayoral Imbizo:</p> <ul style="list-style-type: none"> <li>To interact with ward communities, listen to needs and concerns and provide feedback on approved programmes and projects for 2023/2024</li> </ul>	<p>Coastal – 13/10/2022</p> <p>Inland – 14/10/2022</p> <p>Midland – 15/10/2022</p>
15.	<p>Three Spheres Joint Planning Session</p> <ul style="list-style-type: none"> <li>Intergovernmental Planning between metro and provincial and national government departments and State-owned Enterprises</li> </ul> <p>REF: ONE PLAN</p>	09/09/2022



NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
<b>OCT – DEC: PHASE 2 - Vision, Objectives and Strategies</b>		
16.	IDP/Budget/PMS Technical Workstreams: <ul style="list-style-type: none"> <li>• Prepare for Mayoral and Council Lekgotla, including refinement of Ward Priorities Report (2016/2021) before presenting to Mayoral and Council Lekgotla</li> </ul>	08/11/2022
17.	Mayoral Lekgotla Session <ul style="list-style-type: none"> <li>• To review strategic objectives for service delivery and development</li> </ul>	05 to 06/12/2022
18.	Council Lekgotla <ul style="list-style-type: none"> <li>• To reflect on desired key outcomes over the remainder of Council's 5-year term based on its deep understanding of current and emerging City trends and realities as consolidated during Mayoral Lekgotla</li> </ul>	07/12/2022
19.	Budget Workshops with all directorates to address the following: <ul style="list-style-type: none"> <li>• Financial Institutional Performance</li> <li>• Cost Containment Measures</li> <li>• 2023/2024 Tariff Process</li> <li>• Verification of Fleet &amp; Staff Keys</li> <li>• Consideration of all ward priorities when identifying projects and programmes for the 2023/2026 MTREF Budget</li> <li>• IDP Strategic Priorities for 2021/2026 &amp; MTREF Capital Prioritization</li> <li>• 2022/2023 Mid-Year Adjustment Budget Reallocation (Capital &amp; Operating Budget)</li> </ul>	22/11/2022 to 21/12/2022
<b>JAN – FEB: PHASE 3: Development of Programmes and Projects</b>		
20.	IDP Technical Planning Session (Also known as Top Management Technical Planning Session): <ul style="list-style-type: none"> <li>• To reflect on progress made with implementation of strategic priorities during preceding financial years; and</li> <li>• To review SITUATIONAL ANALYSIS of the metro that inform priority choices</li> </ul>	23 to 24/01/2023
21.	Council: <ul style="list-style-type: none"> <li>• To table and adopt the Statement of Financial Performance and the Implementation of the 2022/2023 budget for the second</li> </ul>	31/01/2023



NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
	quarter & Mid-year budget and Performance assessment report ended 31 December 2022 <ul style="list-style-type: none"> <li>• To consider Municipal entity's proposed budget, priorities and objectives for 2023/2024 and proposed budget adjustments for 2022/2023</li> <li>• To table the Draft AR within 7 months after the end of the financial year to which the report relates</li> </ul>	
22.	Political IGR Forum Workshop: <ul style="list-style-type: none"> <li>• To review BCMM IGR Framework and Terms of Reference</li> <li>• To align municipal priorities with the plans of national and provincial sector departments and state entities</li> </ul> REF: ONE PLAN	03/02/2023
23.	IDP Technical Work Sessions (per directorate): <ul style="list-style-type: none"> <li>• To review IDP vision, mission, strategic outcomes and key focus areas</li> <li>• To develop action plans for Ward Priorities</li> <li>• To review 2022/2023 service delivery key performance indicators and targets after adjustments budget</li> <li>• Set Key Performance Indicators and Targets for the draft Revised 2023/2024 IDP and SDBIP</li> <li>• To align IDP, Budget, Risk and performance indicators</li> </ul>	13/02/2023 to 03/03/2023
<b>FEB: PHASE 4 - Integration and Consolidation</b>		
24.	Top Management Technical Strategic Session: <ul style="list-style-type: none"> <li>• To consider 2022/2023 Mid-year Adjustment Budget</li> </ul>	02/02/2023
25.	Budget Steering Committee: <ul style="list-style-type: none"> <li>• To consider 2022/2023 Mid-year Adjustment Budget</li> </ul>	07/02/2023
26.	Council: <ul style="list-style-type: none"> <li>• To consider and adopt 2022/2023 Mid-year Adjustment Budget</li> </ul>	28/02/2023

NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
27.	National Treasury Mid-year Budget and Performance Assessment Review: <ul style="list-style-type: none"> <li>• To assess metro's Mid-year Financial and Performance Reports</li> </ul>	06 to 07/03/2023
<b>MAR: PHASE 5: Approval, Adoption and Publication</b>		
<b>Approval of Draft IDP</b>		
28.	IDP Technical Planning Session (Also known as Top Management Technical Planning Session): <ul style="list-style-type: none"> <li>• To consider and recommend the draft IDP, MTREF Budget and SDBIP</li> <li>• Consult on proposed consultations with councillors on IDP/Budget Roadshows and other engagements with stakeholders</li> </ul>	13 to 14/03/2023
29.	Budget Steering Committee: <ul style="list-style-type: none"> <li>• To consider and recommend the draft IDP, MTREF Budget and SDBIP</li> <li>• Consult on proposed consultations with councillors on IDP/Budget Roadshows and other engagements with stakeholders</li> </ul>	15/03/2023
30.	Councillors and Traditional Leaders' Workshop: <ul style="list-style-type: none"> <li>• Consult draft IDP, draft MTREF and budget related policies with leadership on draft IDP, MTREF Budget and SDBIP</li> </ul>	17/03/2023
31.	Council: <ul style="list-style-type: none"> <li>• To approve the draft IDP, MTREF Budget and draft policies (at least 90 days before the start of the budget year)</li> </ul>	31/03/2023
<b>Consultation and refinement</b>		
32.	Top Management Dry-run Session <ul style="list-style-type: none"> <li>• To prepare and refine the content for the IDP/Budget Roadshows.</li> </ul>	03/04/2023
33.	Pre-Roadshow Briefings <ul style="list-style-type: none"> <li>• To brief the Councillors on the logistical plans for implementing the IDP/Budget Roadshows and to review the content for the</li> </ul>	Midland - 04/04/2023 Coastal Rural – 11/04/2023



NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
	roadshows (Ward Priorities Status Quo and Action Plans from the Administration)	Coastal Urban – 11/04/2023 Inland – 12/04/2023
34.	IDP/Budget Roadshow <ul style="list-style-type: none"> <li>Conduct IDP/Budget Road Show to consult the Draft IDP, Tabled MTREF Budget and draft policies</li> </ul>	Four roadshow engagements were held:  Coastal Rural Region – 16/04/2023  Inland Region – 19/04/2023  Coastal Urban Region – 21/04/2023  Midlands Region – 05/05/2023
35.	Sector-based Engagements (Roundtables, Summits, Workshops, etc.) <ul style="list-style-type: none"> <li>To consult sector stakeholders (e.g. Women, Youth, Business) on the Draft IDP, Tabled MTREF Budget and draft policies</li> </ul>	Business Leaders' Breakfast – 10/05/2023
36.	Municipal Budget and Benchmark Engagement National Treasury to assess BCMM draft MTREF Budget	08/05/2023
<b>APR – MAY: PHASE 5: Approval, Adoption and Publication</b>		
<b>Final Adoption</b>		
37.	Top Management <ul style="list-style-type: none"> <li>To consider and recommend the Final IDP, MTREF Budget and SDBIP, after considering the submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or neighbouring municipalities</li> </ul>	10/05/2023
38.	Council Open Day <ul style="list-style-type: none"> <li>To inform stakeholders of the issues raised during the consultative meetings held on the Draft IDP, Budget and SDBIP</li> </ul>	12/05/2023

NO.	ACTIVITY DESCRIPTION	DATES ACHIEVED
39.	Budget Steering Committee <ul style="list-style-type: none"> <li>• To consider and recommend the Final IDP, MTREF Budget and SDBIP, after considering the submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or neighbouring municipalities</li> </ul>	16/05/2023
40.	Council <ul style="list-style-type: none"> <li>• Submit Final IDP to Council to adopt IDP, Performance Management Measures and Targets, MTREF Budget, and the revised Policies (at least 30 days before the start of the budget year)</li> </ul>	31/05/2023

### 5.1.2 KEY INFORMANTS

The 2023/2024 Review of the 2021/2026 IDP was undertaken within the framework of national and provincial legislation and policy directives, which include most notably the National Development Plan, Medium Term Strategic Framework (2019-2024), District/Metro Development Model, the South African Economic Reconstruction and Recovery Plan, the Provincial Development Plan (2030), Provincial Spatial Development Strategy, and Provincial Economic Development Strategy.

#### **Other factors that were taken into consideration include:**

##### a) Assessment Issues

- i. The comments on the last adopted IDP provided by the MEC for Local Government in accordance with Sections 31 and 32 of the Municipal Systems Act;
- ii. Findings contained in the National Treasury Benchmarking Report;
- iii. One Plan National Quality Assurance Panel - an overview of the results of the quantitative assessment conducted by the One Plan National Quality Assurance Panel (NQAP) of the Metro's One Plan;
- iv. Findings contained in the Auditor General's Report of the previous financial year/s; and



- v. Shortcomings and weaknesses identified through self-assessment.
- b) Review of the Strategic Elements of the IDP in terms of priorities of Council and the objectives of Management
- i. Review of the Strategic elements of the IDP and Metro Growth and Development Strategy (MGDS) if required; and integrating the strategic intent throughout the budget process, including mSCOA alignment, and finalizing of the Service Delivery and Budget Implementation Plan (SDBIP);
  - ii. Update of Master Plans and Sector Plans; and
  - iii. The update of the Financial Plan.
- c) Inclusion of new information where necessary
- i. Consideration of the impact of Covid-19 Global Pandemic;
  - ii. Updates - The following updates were done in the IDP document:

**Table 3: Updates done in the IDP document**

<b>Foreword by the Executive Mayor</b>	The Executive Mayor provides a contextualised update of the foreword to reflect a summarised setting of the tone for the newly elected Council and key priorities to be focused on for the next term, giving due consideration of the changing socio-economic environment that the city, our country and the world at large are confronting in our development planning endeavours.
<b>Overview by the City Manager</b>	Following the tone set by the Executive Mayor, the City Manager expands on situating the IDP Review within the confines of the Metro Growth and Development Strategy and also reflects on the required need for adjusting to, in particular, the challenges brought to the surface during the Global Pandemic of Covid-19.
<b>Executive Summary</b>	<p>Key updates include:</p> <ul style="list-style-type: none"> <li>• The IDP Process Followed for this review period;</li> <li>• The key informants to the IDP review; and</li> <li>• The latest available assessment of the IDP and key assessment findings from Provincial Government with recommendations on gaps and improvement measures</li> </ul>

<b>SECTION A</b>	The most prominent amendments in this Section are the adjusted Council Strategic Priorities following the tone set by National and Provincial Government through the State of the Nation Address, Budget Speech by the Minister of Finance; and State of the Province Address and Budget Speech by the MEC for Finance in the Eastern Cape Province. These priorities were carved during key engagements, including IDP/Budget/PMS Workstreams, Top Management Planning Sessions, Mayoral Lekgotla and Council Lekgotla.
<b>SECTION B</b>	<p>The BCMM Profile is updated in this section, with more recent statistical data and analysis, taking cognizance of the amended Council Strategic Priorities and most recent audited outcomes for the city, including the following:</p> <ul style="list-style-type: none"> <li>• Population Trends and Profile</li> <li>• Social Development Profile</li> <li>• Governance and Finance Development Profile</li> <li>• Infrastructure Development Profile</li> <li>• A summary of the Key Development Trends in the Metro</li> <li>• Spatial Development Profile</li> <li>• Situational Analysis Per BCMM Strategic Outcome and Key Focus Area</li> </ul>
<b>SECTION C</b>	No amendments or updates have been made to this Section.
<b>SECTION D</b>	The section is updated with more recent engagements held as part of the IDP and One Plan review and implementation commitments are also updated as received from Buffalo City Metropolitan Municipality's Built Environment Performance Plan: Catalytic Land Development Programmes, Provincial and National Government Spheres.
<b>SECTION E</b>	The key performance indicators and targets were updated and aligned with the Council Strategic Priorities and respond to the most recent audited findings from both Internal Audit and the Auditor General.
<b>SECTION F</b>	The financial plan for the metro is updated as aligned with the MTREF Budget tabled in Council and includes the operational and capital projects for the MTREF period.
<b>SECTION G</b>	The Operational Plan has been updated.
<b>ANNEXURES</b>	<p>Most significant updates on annexures are:</p> <ul style="list-style-type: none"> <li>• Annexure B - IDP/Budget/PMS Process Plan followed; and</li> <li>• Annexure C - Community and Stakeholder Issues / Priorities Raised</li> </ul>

#### **5.1.2.1 Council Priorities (2021-2026) Revised for 2023/2026**

The Mayoral Lekgotla, followed by the Council Lekgotla held annually are critical instruments of the IDP Process and aids the Executive Mayor in his/her responsibility for the preparation and implementation of the IDP, Budget & Performance Management. In his/her executive capacity the Executive Mayor has to:

- be responsible for the overall oversight, development and monitoring of the process or delegate IDP & PMS responsibilities to the City Manager;
- ensure that the budget, IDP & budget related policies are mutually consistent & credible;
- approve nominated persons that will be responsible for different roles and activities within the IDP/Budget process; and
- submit the IDP & the Annual Budget to the municipal Council for adoption.

These Council Priorities, arranged in accordance with the BCMM Metro Growth and Development Strategy (MGDS) and Integrated Development Plan, are converged with the National and Provincial Imperatives as follows:



**Table 4: Alignment of Council Priorities with National and Provincial Policy Directives**

BUFFALO CITY METRO IMPERATIVES		JOINT IGR IMPERATIVES	PROVINCIAL IMPERATIVES	NATIONAL IMPERATIVES		
BCMM IDP Strategic Outcomes	BCMM Council Priorities 2023/26	One Plan Focus Areas	Provincial Development Plan (EC Vision 2030)	National Development Plan (NDP: 2030)	Medium Term Strategic Framework (MTSF: 2019/24)	Integrated Urban Development Framework (IUDF)
<b>Strategic Outcome 1:</b> An Innovative and Productive city	<p><b>Council Priority 1:</b> Safety, Security &amp; Emergency Services.</p> <p><b>Council Priority 2:</b> Safety, Security &amp; Emergency Services.</p> <p><b>Council Priority 3:</b> Community Development.</p>	<p><b>Focus Area 1:</b> People Development &amp; Demographics</p>	<p><b>Goal 4:</b> Improved human development</p>	<p><b>NDP Chapter 9</b> – improving education, training and innovation</p> <p><b>NDP Chapter 11</b> - social protection</p> <p><b>NDP Chapter 12</b> – building safer communities</p> <p><b>NDP Chapter 15</b> – nation building and social cohesion</p> <p><b>NDP Chapter 10</b> – health care for all</p>	<p><b>Priority 3:</b> Education, Skills and Health</p> <p><b>Priority 6:</b> Social Cohesion and Safe Communities</p>	<p><b>Policy level 7:</b> Empowered active communities</p>
<b>Strategic Outcome 1:</b> An Innovative and Productive city	<p><b>Council Priority 1:</b> Build a transformed and resilient economy.</p>	<p><b>Focus Area 2:</b> Economic Positioning</p>	<p><b>Goal 3:</b> Rural development and an innovative and high-value agriculture sector</p>	<p><b>NDP Chapter 3</b> – economy and employment</p> <p><b>NDP Chapter 4</b> – economic infrastructure</p> <p><b>NDP Chapter 6</b> – inclusive rural economy</p> <p><b>NDP Chapter 7</b> - South Africa in the region and the world</p>	<p><b>Priority 2:</b> Economic Transformation and Job Creation</p> <p><b>Priority 7:</b> A Better Africa and World</p>	<p><b>Policy level 6:</b> Inclusive economic development</p>



BUFFALO CITY METRO IMPERATIVES		JOINT IGR IMPERATIVES		PROVINCIAL IMPERATIVES		NATIONAL IMPERATIVES	
<b>BCMM IDP Strategic Outcomes</b>	<b>BCMM Council Priorities 2023/26</b>	<b>One Plan Focus Areas</b>	<b>Provincial Development Plan (EC Vision 2030)</b>	<b>National Development Plan (NDP: 2030)</b>	<b>Medium Term Strategic Framework (MTSF: 2019/24)</b>	<b>Integrated Urban Development Framework (IUDF)</b>	
<b>Strategic Outcome 2:</b> A green city	<b>Council Priority 4:</b> Solid Waste and Environmental Management (Climate Change).	<b>Focus Area 3:</b> Spatial Restructuring and Environmental Sustainability	<b>Goal 5:</b> Environmental sustainability	<b>NDP Chapter 5 - environmental sustainability and resilience</b>	Priority 5: Spatial Integration, Human Settlements and Local Government	<b>Policy level 1:</b> Integrated urban planning and management	
<b>Strategic Outcome 4:</b> A spatially transformed city	<b>Council Priority 6:</b> Transform the spatial form of the city			<b>NDP Chapter 8 - transforming human settlements</b>		<b>Policy level 3:</b> Integrated and sustainable human settlements	
<b>Strategic Outcome 3:</b> A connected city	<b>Council Priority 5:</b> Infrastructure and Service Delivery	<b>Focus Area 4:</b> Infrastructure Engineering	<b>Goal 2:</b> An enabling infrastructure network	<b>NDP Chapter 4 – economic infrastructure</b>	Priority 4: Consolidating the Social Wage Through Reliable and Quality Basic Services	<b>Policy level 4:</b> Integrated urban infrastructure	
		<b>Focus Area 5:</b> Integrated Services Provisioning				<b>Policy level 2:</b> Integrated transport and mobility	
<b>Strategic Outcome 5:</b> A well-governed city	<b>Council Priority 7:</b> Improve Administrative governance	<b>Focus Area 6:</b> Governance & Financial Management	<b>Goal 6:</b> Capable democratic institutions.	<b>NDP Chapter 13 - building a capable and developmental state</b>	Priority 1: A Capable, Ethical and Developmental State	<b>Policy level 8:</b> Effective urban governance	
	<b>Council Priority 8:</b> Financial Resilience:			<b>NDP Chapter 14 – fighting corruption</b>		<b>Policy level 9:</b> Sustainable finances	

### 5.1.3 BCMM KEY ELEMENTS OF THE 2022/2023 REVIEW OF THE 2021/2026 IDP

#### 5.1.3.1 Proposed High-Level Changes

All processes undertaken above contributed to the IDP/Budget review process towards the 2023/2024 financial year. During the planning process BCMM's vision, mission and key strategic focus areas were revisited. Consequently, the vision, mission, values, strategic outcomes, strategic objectives encapsulated in the IDP and MGDS remain unchanged for this second review of the fifth generation Integrated Development Plan.

The following amendments to the Key Focus Areas (KFAs) are recommended:

- a. that KFA 12: Traffic Management be amended to KFA 12: Safety and Security, which will include traffic management and law enforcement; and
- b. That KFA 15: Beaches, Parks and Open Spaces be divided into two KFAs, respectively KFA 15: Beaches and KFA 16: Parks and Open Spaces.
- c. The numbering of Key Focus Areas be adjusted to accommodate the amendment to KFA 15: Beaches, Parks and Open Spaces.

The Strategic Framework expressed in this IDP is the primary informant of the BCMM Five-Year Performance Scorecard, Multi-Year Budget, Annual Service Delivery and Budget Implementation Plan and Performance Agreements of Senior Managers. The setting of key performance indicators and targets against which the performance of the municipality and its senior management and leadership are measured derive its mandate from this IDP.

The introduction of Key Focus Areas (KFAs) formed part of the 2019/2020 IDP Review and is informed by the need to create more functional synchrony between the strategic imperatives captured in the

IDP and the core competencies of the municipality. One of the benefits of the inclusion of KFAs in the IDP is that it improves accountability, since KFAs can be assigned to specific officials and be accentuated in their performance agreements to champion.

**Table 5: BCMM Strategic Framework**

Strategic Outcomes	Strategic Objectives	Key Focus Areas
STRATEGIC OUTCOME 1 (SO1): An innovative and Productive City	To enhance the Quality of Life of the BCMM community with rapid and inclusive economic growth and falling unemployment	KFA 1: Enterprise Development
		KFA 2: Trade and Investment Promotion
		KFA 3: Innovation and Knowledge Management
		KFA 4: Tourism & Marketing
		KFA 5: Job Readiness & Training (External)
		KFA 6: Rural Development & Agrarian Reform
		KFA 7: Arts, Culture and Heritage Resource Management
		KFA 8: Sport Development (Programmes)
		KFA 9: Sport and Recreation Facilities
		KFA 10: Libraries and Halls
		KFA 11: Emergency and Disaster Management
		KFA 12: Safety and Security
STRATEGIC OUTCOME 2 (SO2): A green city	To promote an environmentally sustainable city with optimal benefits from our natural assets.	KFA 13: Environmental Management and Climate Change
		KFA 14: Air quality
		KFA 15: Beaches
		KFA 16: Parks and Open Spaces
		KFA 17: Vegetation Control and Biodiversity
		KFA 18: Municipal and Environmental Health
		KFA 19: Solid Waste Management
STRATEGIC OUTCOME 3 (SO3): A connected city	To maintain a world class logistics network.	KFA 20: Roads and Storm water Infrastructure
		KFA 21. ICT
		KFA 22: Transport Planning and Operations
		KFA 23: Energy Supply Efficiency



Strategic Outcomes	Strategic Objectives	Key Focus Areas
STRATEGIC OUTCOME 4 (SO4): A Spatially Transformed city	To develop and maintain world class infrastructure and utilities.	KFA 24: Water and waste water
		KFA 25: Spatial and Urban Planning
		KFA 26: Sustainable Human Settlements
		KFA 27: Built Environment Management
		KFA 28: Urban, Rural and Township Regeneration
		KFA 29: Property Management and Land Use
		KFA 30: Cemeteries and Crematoria
STRATEGIC OUTCOME 5 (SO5): A well-governed city	Promote sound financial and administrative capabilities.	KFA 31: Risk Management
		KFA 32: Stakeholder Participation & Customer Relations
		KFA 33: Intergovernmental Relations (IGR) and International Relations (IR)
		KFA 34: Communications (Internal and External)
		KFA 35: Corporate Marketing (Branding)
		KFA 36: Revenue Management
		KFA 37: Expenditure and Supply Chain Management
		KFA 38: Budget and Treasury
		KFA 39: Corporate Asset Management
		KFA 40: Internal Human Capital and Skills Development
		KFA 41: Gender, Elderly, Youth and Disabled (Vulnerable Groups)
		KFA 42: Performance Management and Monitoring and Evaluation
		KFA 43: Fleet Management
		KFA 44: Employee Performance Management
		KFA 45: Human Resources Management
KFA 46: Internal Audit		



### **5.1.3.2 IDP Recommendations**

The Integrated Development Plan (IDP) is the overall strategic development plan for a municipality, prepared in terms of the Municipal System Act, Act 32 of 2000, that guide decision-making, budgeting and development in the municipality. The Spatial Development Framework presents the long-term vision of the desired spatial form of the municipality. The SDF is thus a critical component to the IDP to direct municipal and private sector spending and investment by providing spatial proposals and strategies (thus the location and nature of development) which will support economic growth and integrated human settlements. The amended Spatial Development Framework was adopted by Council in December 2020.

### **5.1.3.3 Community Consultation Process on the 2021/2026 IDP and MTREF Budget for the 2022/2023 period**

In developing its Integrated Development Plan, Buffalo City Metropolitan Municipality takes its tune from residents and the broader public of the Metro who participate in a number of public consultation processes and programmes such as the annual Mayoral Imbizo and IDP/Budget Roadshow. It is through these engagements that residents are able to define and shape their needs and priorities which must be taken into consideration during planning and budgeting. BCMM aims to address identified needs and priorities through the 2021/2026 Integrated Development Plan and Budget as revised annually.

The IDP process is an outcome of an intensive and detailed series of engagements with our communities through the following key participatory democracy instruments:

- a. IDP/Budget/PMS Workstreams where external stakeholders also participated in the deliberations;

- b. External IDP/Budget/PMS Representative Forum with external stakeholders to consult the Draft IDP, MTREF Budget and BEPP: Catalytic Land Development Programmes; and
- c. IDP Ward Priorities Sessions held with Ward Councillors from each of the three functional regions as part of the IDP Review Process.
- d. IDP/Budget Roadshow held as follows:
  - Coastal Rural Region - 16/04/2023
  - Inland Region - 19/04/2023
  - Coastal Urban Region - 21/04/2023
  - Midlands Region – 05/05/2023
- e. Business Leaders' Breakfast - 10/05/2023
- f. Council Open Day - 12/05/2023

Following the publication of the Draft IDP and Budget on 5 April 2023, members of the public were awarded an opportunity to peruse the documentation at the municipal libraries and key offices of the Metro. Stakeholders were invited to submit their inputs via a WhatsApp line created for this purpose, at the various engagements hosted and social media comments options. Further to this an e-mail address was created through which the metro received submissions on the draft Revised IDP and Budget until the set deadline. Council has now considered all public inputs in the compilation of the final 2023/2024 Revised IDP, BEPP: BCMM Catalytic Land Development Programmes and MTREF Budget document.

## **5.2 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET**

### **5.2.1 BUDGET PROCESS**

The budget process is embedded in the IDP/Budget Process Plan that has been tabulated in table 2 above. The 2023/2024 budget preparation sessions were held with all directorates from 22 November 2022 – 21

December 2022. Mayoral Lekgotla session was held over two days, on 05 and 06 December 2022, the purpose of the session was to review strategic objectives for service delivery and development. A Council Lekgotla was held on 07 December 2022, the purpose of the session was to reflect on desired key outcomes over the remainder of Council's 5-year term based on its deep understanding of current and emerging City trends and realities as consolidated during Mayoral Lekgotla. Thereafter, the directorates and the municipal entity (BCMDA) were requested to prepare and submit budget requests for consideration.

After finalisation of costing of prioritised projects and programmes for 2023/2024 MTREF, a Top Management session was held on 13 and 14 March 2023 for consideration of the proposed draft 2023/2024 MTREF. This session was followed by a Councillors' and Traditional Leaders' Workshop; the primary aim of the Councillors' Budget Workshop was to ensure:

- a) that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget;
- b) that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available.

Following the publication of the Draft MTREF Budget on 5 April 2023, members of the public were awarded an opportunity to peruse the documentation at the municipal libraries and key offices of the Metro. Stakeholders were invited to submit their inputs via a WhatsApp line created for this purpose, at the various engagements hosted and social media comments options. Further to this an e-mail address was created through which the metro received numerous submissions on the Draft Budget until the set deadline. Council considered all public inputs in the compilation of this final 2023/2024 Revised IDP, MTREF Budget document and BEPP. The comments on the 2023/2024 Draft (Revised) Integrated Development Plan and MTREF Budget made by members of the public during the public consultation period are attached as **Annexure AB**.



## **5.2.2 NATIONAL TREASURY MFMA CIRCULARS**

National Treasury issued MFMA Circular No. 122 on 09 December 2022 and MFMA Circular No. 123 on 03 March 2023 to guide the compilation of the 2023/2024 MTREF. Some of the key issues highlighted by the circulars are as follows:

- a) In terms of the Salary and Wage Collective Agreement dated 15 September 2021, all employees shall receive an increase based on the projected average CPI percentages with effect from 01 July 2023 and 01 July 2024.
- b) Municipalities are under pressure to generate and collect revenue for service delivered. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/2024 MTREF budgets:
  - i. Improving the effectiveness of revenue management processes and procedures;
  - ii. Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
  - iii. Ensuring value for money through the procurement process;
  - iv. The affordability of providing free basic services to all households;
  - v. Not taking on unfunded mandates;
  - vi. Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
  - vii. Automate business services where possible to increase efficiencies and lower customer costs;
  - viii. Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and

- ix. Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.
- c) The Consumer Price Index (CPI) inflation is estimated at 5.3% in 2023/2024, 4.9% in 2024/2025 and 4.7% in 2025/2026 financial years.
- d) The tariff increases by Eskom and Water Boards are much higher than inflation.
- e) Every municipality must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers.
- f) Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.
- g) It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic.
- h) Municipalities should also avoid paying out leave in cash while having major financial challenges.

### **5.2.3 BUDGET GUIDELINES AND PRINCIPLES**

The following budget principles and guidelines informed and provided the bases for the compilation of the 2023/2024 MTREF budget:

- a) The 2022/2023 mid-year adjustment budget and actual figures were used as the baseline for the 2023/2024 MTREF budget. Further, reassessment of activities was undertaken to determine if there have been any changes of circumstance that have impact on the compilation of the budget.
- b) The service charge tariffs have been calculated taking into consideration the following:
  - i. the input costs of generating the services
  - ii. the affordability to consumers

- iii. perception versus the level of affordability when compared across the eight (8) Metros
- c) Cash flow position, level of cash reserves
- d) Cost containment measures
- e) Ability to maintain and renew existing assets whilst also addressing the backlogs was part of the consideration.
- f) The following is applicable to projects and/ or programmes:
  - i. projects with existing contracts must be prioritised
  - ii. projects must be within affordability limits; should additional budget/ funding be available, other projects will be funded in terms of priority and benefit to the Metro
  - iii. no budget allocation to projects that are not in the IDP
- g) The budget must be funded as per MFMA Circular 42.

#### **5.2.4 MTREF BUDGET (2023/2024 – 2025/2026)**

Section 17(1) of the MFMA requires that the annual budget of the municipality be in the prescribed format:

- Setting out realistically anticipated revenue for the budget year from each revenue source.
- Appropriating expenditure for the budget year under the different votes of the municipality.
- Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year.
- Setting out the estimated revenue and expenditure by vote for the current year and actual revenue and expenditure by vote for the financial year preceding current year.

The following tabulated budget assumptions were used in the preparation of the MTREF budget, these are narrated beneath the table:



**Table 6: Budget Assumption**

DESCRIPTION	2022/2023	2023/2024	2024/2025	2025/2026
National Treasury Headline Inflation Forecasts	4,80%	5,30%	4,90%	4,70%
Salaries	4,80%	5,40%	4,90%	4,70%
Electricity Purchases	7,47%	18,49%	12,74%	12,74%
Water Purchases	5,78%	9,86%	9,86%	9,86%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.	6 kl p.m.
Basic Welfare Package	R824,30	R874,79	R932,48	R993,36
Equitable Share Allocation	R1 045 448 000	R1 138 058 000	R1 226 701 000	R1 313 633 000
Bad Debt Provision	19,50%	19,50%	17,50%	15,00%
Property Rates	4,80%	0,00%	4,90%	4,70%
Refuse Tariff	4,80%	5,30%	4,90%	4,70%
Sanitation Tariff	4,80%	5,30%	4,90%	4,70%
Electricity Tariff	7,47%	15,10%	12,74%	12,74%
Water Tariff	6,78%	9,86%	9,86%	9,86%
Fire Levy	4,80%	5,30%	4,90%	4,70%
Sundry Income	4,80%	5,30%	4,90%	4,70%

- i. Property Rates tariff will not be increased in the 2023/2024 financial year due to implementation of the new general valuation roll, an increase of 4.9% is proposed for 2024/2025 financial year and it is then reduced to 4.7% in the 2025/2026 financial year.
- ii. Refuse Removal and Sanitation Charges have been projected to increase by 5.3% in 2023/2024, 4.9% in 2023/2024 and 4.7% in 2025/2026 financial year.
- iii. Water Service tariff increase is projected at 9.86% throughout the 2023/2024 MTREF.
- iv. On Electricity, the tariff will increase by 15.10% in 2023/2024 financial year and increase by 12.74% in both 2024/2025 and 2025/2026 financial years. The Electricity tariff applied is in line with the NERSA consultation paper that was published on 04 April 2023.
- v. The Revenue Collection Rate of 80.5% has been projected in 2023/2024.

- vi. The Repairs and Maintenance budget is currently 5.3% of the total Operating Expenditure Budget. The City is striving towards a 10% repairs and maintenance of its total operating budget owing to the aging of the City's infrastructure. The City's infrastructure repairs and maintenance programme is complemented by the renewal and upgrading of existing infrastructure programme as the City is using revaluation method to value its infrastructural assets.
- vii. Employee costs as a percentage of total operating costs is 30.7% over the MTREF. Though this rate is still within the norm of 25% to 40% as per MFMA Circular 71, it requires close monitoring to avoid an increasing trend. The guidance provided on MFMA Circular No. 123 as well as the existing Salary and Wage Collective Agreement has been followed in projecting employee costs increases of 5.4% in 2023/2024, 4.9% in 2024/2025 and 4.7% in 2025/2026.

## **6. CHALLENGES**

### **6.1 INTEGRATED DEVELOPMENT PLAN**

#### Challenges

Very shortly before the Midlands Region IDP/Budget Roadshow scheduled for 14 April 2023, the tent collapsed due to strong winds. Alternative accommodation was arranged at a nearby church, however this venue was also found to be insufficient to accommodate the more than 2000 attendees and the meeting was adjourned. The meeting then took place on 5 May 2023 and was safely concluded without incident.

#### Proposed Responses

It is recommended that contingency plans and protocols be put in place prior to the execution of public meetings where 500 or more attendees are expected to attend. Event organisers will also apprise themselves of anticipated weather conditions in order to respond to any challenges that may occur as a result of uncontrollable environmental and other hazards.

## **6.2 MTREF BUDGET**

Finding a balance between endless service delivery needs and setting affordable tariffs is always a challenge when compiling a budget and this challenge was also experienced in the compilation of the 2023/2024 MTREF.

The following are the associated risks with achieving the 2023/2024 MTREF projections:

- i. Higher levels of unemployment are likely to increase levels of indebtedness and defaulting on payments.
- ii. Additional budget requests would affect the sustainability of the Metro's finances and could require budget cuts elsewhere.
- iii. Increase in input costs to the provision of basic services could lead to trading services operating at a deficit.
- iv. Aging infrastructure is a risk that could disrupt the provision of services and cause unhappy consumer that might decide not to honour the municipal accounts.
- v. Electricity and water losses that are above the norm.

## **7. STAFF IMPLICATIONS**

None.

## **8. FINANCIAL IMPLICATIONS**

The consolidated budget for the 2023/2024 MTREF period is R10.62 billion (2023/2024), R11.26 billion (2024/2025) and R12.08 billion (2025/2026) with the table below summarising the consolidated overview of the 2023/2024 MTREF Budget. A detailed budget report is attached as **Annexure B**:



**Table 7: Consolidated Overview of the 2023/2024 MTREF Budget**

DESCRIPTION	2022/2023 ADJUSTMENT BUDGET	2023/2024 FINAL BUDGET	INCREASE OR (DECREASE) %	2024/2025 FINAL BUDGET	2025/2026 FINAL BUDGET
Total Operating Revenue	8 865 515 490	9 415 556 940	6,20	10 102 818 139	10 895 461 779
Total Operating Expenditure	8 705 464 659	9 405 341 830	8,04	10 092 605 994	10 887 882 649
<b>Surplus/(Deficit) for the year</b>	<b>160 050 831</b>	<b>10 215 110</b>		<b>10 212 145</b>	<b>7 579 130</b>
Total Capital Expenditure	1 396 664 897	1 219 326 304	(12,70)	1 167 806 254	1 193 096 633
<b>Total Opex and Capex Budget</b>	<b>10 102 129 556</b>	<b>10 624 668 134</b>		<b>11 260 412 248</b>	<b>12 080 979 282</b>

## 9. OTHER PARTIES CONSULTED

- 9.1 Buffalo City Metropolitan Council
- 9.2 Budget Steering Committee
- 9.3 IDP/PMS Portfolio Head
- 9.4 BCMM Top Management
- 9.5 BCMM Directorates
- 9.6 External Stakeholders

## 10. RECOMMENDATIONS

- 10.1. The Council of Buffalo City Metropolitan Municipality, acting in terms of Section 26 (2) of the Municipal Systems Act, 32 of 2000 which states that an integrated development plan adopted by a municipal council may be amended in terms of section 34 of the Municipal Systems Act, 32 of 2000 **approves** and **adopts** the Revised 2023/2024 Integrated Development Plan (IDP) inclusive of the Spatial Development Framework (SDF) as required by S32 of the Municipal Systems Act.
- 10.2. The Council of Buffalo City Metropolitan Municipality **note** that, in embracing the intention of the District/Metro Development Model, which is for all three spheres of government to work off a common strategic alignment platform, Section D of the Revised 2023/2024 IDP is a reflection of the Updated Summary of the Buffalo City Metropolitan One

Plan, that is currently being reviewed together with other spheres of government.

10.3. The Council of Buffalo City Metropolitan Municipality, acting in terms of Division of Revenue Act (DoRA), **approves** and **adopts** the Final Built Environment Performance Plan (BEPP) 2023/2024: BCMM Catalytic Land Development Programmes.

10.4. The Council of Buffalo City Metropolitan Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **approves** and **adopts**:

10.4.1 The Consolidated Annual Budget of the municipality for the 2023/2024 MTREF and the multi-year and single-year capital appropriations as set out in the following tables:

- i. Budgeted Financial Performance (revenue and expenditure by functional classification);
- ii. Budgeted Financial Performance (revenue and expenditure by municipal vote);
- iii. Budgeted Financial Performance (revenue by source and expenditure by type); and
- iv. Multi-year and single-year capital appropriations by municipal vote, functional classification and funding by source.
- v. Budgeted Financial Position;
- vi. Budgeted Cash Flows;
- vii. Reserves and accumulated surplus reconciliation;
- viii. Asset management; and
- ix. Basic service delivery measurement.

10.4.2 The Annual Budget of the parent municipality for the 2023/2024 MTREF and the multi-year and single-year capital appropriations as set out in the following tables:

- i. Budgeted Financial Performance (revenue and expenditure by functional classification);
- ii. Budgeted Financial Performance (revenue and expenditure by municipal vote);
- iii. Budgeted Financial Performance (revenue by source and expenditure by type); and
- iv. Multi-year and single-year capital appropriations by municipal vote, functional classification and funding by source.
- v. Budgeted Financial Position;
- vi. Budgeted Cash Flows;
- vii. Reserves and accumulated surplus reconciliation;
- viii. Asset management; and
- ix. Basic service delivery measurement.

10.4.3 The Annual Budget of the municipal entity (BCMDA) for the 2023/2024 MTREF and the multi-year and single-year capital appropriations as set out in the following tables:

- i. Budgeted Financial Performance (revenue by source and expenditure by type); and
- ii. Budgeted Financial Position;
- iii. Budgeted Cash Flows;
- iv. Budgeted Capital by Asset Class and Funding

10.5. The Council of Buffalo City Metropolitan Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **approves** and **adopts** tariffs effective from 1 July 2023:

10.5.1 Property rates – as set out in Annexure F

10.5.2 Electricity – as set out in Annexure F

10.5.3 Water – as set out in Annexure F

10.5.4 Sanitation services – as set out in Annexure F

10.5.5 Solid waste services – as set out in Annexure F

10.5.6 Other services as set out in Annexure F



11. To give proper effect to the Consolidated Annual Budget, the Council of Buffalo City Metropolitan Municipality **approves**:

- 11.1 That an indigent subsidy be granted to registered indigents in terms of Council's Indigent Policy.
- 11.2 That an indigent consumer be given an average social subsidy package on his/her account as contained in table 15 of **Annexure B**.
- 11.3 That free basic electricity be granted for a registered indigent consumer of 50KWh per month.
- 11.4 That free basic water be granted to a registered indigent of 6Kl per month.

12. The Buffalo City Metropolitan Municipality Council, **approves** and **adopts** the revised budget related policies:

- 12.1 Property Rates Policy – as set out in Annexure H
- 12.2 Supply Chain Management Policy – as set out in Annexure I
- 12.3 Immovable Asset Policy – as set out in Annexure J
- 12.4 Budget Virement Policy - as set out in Annexure L
- 12.5 Credit Control Policy – as set out in Annexure N
- 12.6 Indigent Support Policy – as set out in Annexure O
- 12.7 Long-Term Borrowing Policy – as set out in Annexure P
- 12.8 Budget Management and Oversight Policy – as set out in Annexure S
- 12.9 Investment & Cash Management Policy – as set out in Annexure T

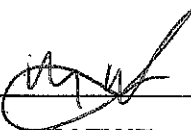
13. That Council **notes** the budget-related policies adopted in the previous financial years and where no amendments have been made after review, as listed in Section 2.4.1 of **Annexure B** and are available on BCMM's website at [www.buffalocity.gov.za](http://www.buffalocity.gov.za) .

14. That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium-term revenue and expenditure framework as set out in Supporting Table SA7 be **approved**.

15. That in terms of Section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 2003, the Revised Integrated Development Plan be **approved**.

16. Council **notes** that the Consolidated 2023/2024 MTREF Budget tabled for adoption is structured in terms of the Buffalo City Metropolitan Municipality votes and functions.

17. MFMA Circular 122 and 123 for the 2023/2024 MTREF attached as Annexure W be **noted** by Council.



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**M. MFAZWE**

**ACTING EXECUTIVE MAYOR**

**BUFFALO CITY METROPOLITAN MUNICIPALITY**

22.05.2023

**DATE**

## **ANNEXURES:**

- A: Revised 2023/2024 Buffalo City Metropolitan Municipality Integrated Development Plan
- B: 2023/2024 - 2025/2026 Buffalo City Metropolitan Municipality Medium-Term Revenue and Expenditure Framework Budget
- C.1 2023/2024 MTREF Capital Projects - Per Programme/Project
- C.2. 2023/2024 MTREF Capital Projects – Detailed Schedule
- D.1. 2023/2024 MTREF Operating Projects-Per Programme/Project
- D.2. 2023/2024 MTREF Operating Projects – Detailed Schedule
- E: BCMM mSCOA Systems Implementation Status Report
- F: 2023/2024 Tariff Book
- G: 2023/2024 Tariff Policy
- H: 2023/2024 Property Rates Policy & Property Rates By-Law
- I: 2023/2024 Supply Chain Management Policy
- J: 2023/2024 Immovable Asset Policy
- K: 2023/2024 Movable Asset Policy
- L: 2023/2024 Budget Virement Policy
- M: 2023/2024 Funding and Reserves Policy
- N: 2023/2024 Credit Control Policy
- O: 2023/2024 Indigent Support Policy
- P: 2023/2024 Long-Term Borrowing Policy
- Q: 2023/2024 Capital Infrastructure Investment Policy
- R: 2023/2024 Long-Term Financial Planning Policy
- S: 2023/2024 Budget Management and Oversight Policy
- T: 2023/2024 Investment & Cash Management Policy
- U: 2023/2024 Cost Containment Policy
- V: 2023/2024 Service Level Standards
- W: MFMA Circular 122 and 123
- X: Consolidated 2023/2024 MTREF A-Schedules
- Y: 2023/2024 MTREF A-Schedules (Parent)
- Z: 2023/2024 MTREF D-Schedules (Municipal Entity: BCMDA)
- AA: Built Environmental Performance Plan 2023/2024: BCMM Catalytic Land Development Programmes
- AB: Public Participation Written Comments Received on Draft Revised 2023/2024 Integrated Development Plan (IDP) and 2023/2024 Medium Term Revenue and Expenditure Framework