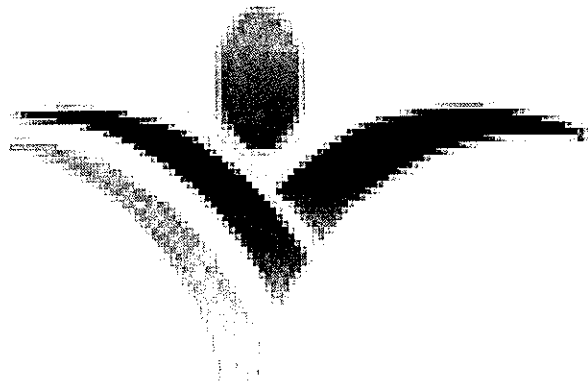


# **CHAPTER 6**



## **Overview Of Alignment Of The Annual Budget With The IDP**

## **CHAPTER 6**

### **Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the CDM, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that CDM strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the CDM response to these requirements.

The ten Strategic Priorities are conceptualized and summarized as follows

1. Speeding up growth and transforming the economy to create decent work and sustainable livelihoods
2. Massive program to build economic and social infrastructure
3. Comprehensive rural development strategy linked to land and agrarian reform and food security
4. Strengthen the skills and human resource base
5. Improve the health profile of all South Africans
6. Intensify the fight against crime and corruption
7. Build cohesive, caring and sustainable communities

8. Pursuing African advancement and enhanced international cooperation
9. Sustainable Resource Management and Use
10. Building a developmental state including improvement of public services and strengthening democratic institutions

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

### **IDP Strategic Objectives**

<b>2011/12 Financial Year</b>	<b>2012/13 MTREF</b>
1. Optimal institutional transformation to ensure capacity to achieve set objectives	1. Municipal transformation and organisation development
2. The provision of quality basic services and infrastructure	2. Basic service delivery
3. Economic growth and development that leads to sustainable job creation	3. Local Economic Development
4. Ensure financial sustainability	4. Municipal Financial viability and Management
5. Promote sound governance; Foster participatory democracy and Batho Pele principles through caring, accessible service	5. Good Governance and Public Participation

In order to ensure integrated and focused service delivery between all spheres of government it was important for the CDM to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Infrastructure Investment
2. Capacity Building and Support
3. Economic Development
4. Community Services
5. Institutional Development

The 2012/13 MTREF has therefore been directly informed by the new IDP process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

DC10 Cacadu - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
CAPACITY BUILDING AND SUPPORT TO LMS	CREDITORS				0	--	--	--	--	--	--
	AUXILIARY SERVICES				1	--	--	--	--	--	--
	LEVIES				4	--	--	--	--	--	--
	INFORMATION TECHNOLOGY				5	--	--	--	--	--	--
	RIETBRON ADMINISTRATION				35	--	--	--	--	--	--
	INTERNAL AUDIT AND CONTROL				--	--	41	--	--	--	--
	MANAGEMENT				--	2,200	200	--	--	--	--
	PUBLIC RELATIONS				1	1,980	1,980	--	--	--	--
	PERFORMANCE MANAGEMENT				1,077	480	355	305	50	--	--
	FINANCIAL ACCOUNTING DIVISION				549	1,521	570	79	--	154	--
	PROCUREMENT				42	23	23	10	17	19	21
	PAYROLL ADMINISTRATION				33	30	30	20	25	25	25
	PENSIONERS EXPENDITURE				34	--	31	--	38	40	42
	CAPACITY BUILDING				3,094	790	2,115	1,484	1,140	200	200
	PEOPLE MANAGEMENT				168	950	450	300	320	350	350
	PENSIONERS EXP-AMBULANCE				--	364	364	251	660	693	728
	ESTATES				1,115	1,073	1,073	1,050	1,120	1,180	1,250
	FINANCE MANAGEMENT AND SUPPORT				905	1,140	1,140	1,140	1,250	1,346	1,250
	PENSIONERS EXP - ROADWORKS				3,214	3,556	3,556	3,556	3,545	3,700	3,880
	COUNCIL'S EXPENSES				(407)	2,931	3,568	110	3,764	4,243	5,392
	REVENUE COLLECTION				91,196	84,345	84,345	82,016	84,595	87,786	90,164
	COMMUNITY SERVICES										
	RIETBRON CEMETERY				0	--	--	--	--	--	
	OTHER				13,545	--	--	--	--	--	
	OTHER				--	--	100	--	--	--	
	SPECIAL PROJECTS UNIT- YOUTH,GR				--	--	730	--	--	--	
	SPORT GROUNDS				--	--	773	--	--	--	
	ENVIRONMENTAL HEALTH				168	320	790	--	--	--	
	CLINICS				4,710	1,045	2,332	1,385	--	--	
	OTHER				1,808	10,132	4,000	4,000	6,132	--	
	FIRE SERVICE - HEAD OFFICE				374	12,176	12,176	--	1,000	2,500	
	DISASTER MANAGEMENT				3,791	1,000	1,270	1,000	2,400	5,250	
ECONOMIC DEVELOPMENT											
	TOURISM PROMOTION & DEVELOPMEN				--	950	1,556	--	1,883	--	
	LOCAL ECONOMIC DEVELOPMENT				2,508	11,835	10,874	5,514	4,253	4,825	
	MANAGEMENT				--	14,220	14,220	--	3,696	5,520	
INFRASTRUCTURE INVESTMENTS											
	MANAGEMENT				1	--	--	--	--	--	
	RIETBRON HOUSING				8	--	--	--	--	--	
	RIETBRON SANITATION AND REFUSE				119	--	--	--	--	--	
	RIETBRON:WATER				172	--	--	--	--	--	
	RIETBRON SANITATION AND REFUSE				--	1,000	1,188	--	--	--	
	OTHER				205	1,000	229	--	1,600	--	
	ROADS AND TRANSPORT				42,166	7,159	16,079	7,450	8,313	--	
	HOUSING CO-ORDINATOR				1,143	1,950	1,169	219	1,000	529	
	WATER SERVICES AUTHORITY - PRO				19,777	16,208	10,907	8,001	13,999	2,030	
	PLANNING UNIT				1,540	0	493	--	2,500	1,850	
	PROJECT MANAGEMENT				3,405	11,400	10,892	4,240	10,000	6,000	
Allocations to other priorities											
<b>Total Revenue (excluding capital transfers and contributions)</b>					196,508	191,778	189,620	122,129	153,300	128,239	130,512

DC10 Cacadu - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>											
<b>CAPACITY BUILDING AND SUPPORT TO LM'S</b>											
	LEVIES				(25)	--	--	--	--	--	--
	POOL VEHICLES INFRASTRUCTURE				(0)	--	--	--	--	--	--
	AUXILIARY SERVICES				1	--	--	--	--	--	--
	REITBRON ESTATES				19	--	--	--	--	--	--
	RIETBRON ADMINISTRATION				275	--	--	--	--	--	--
	DMA ADMINISTRATION				786	--	--	--	--	--	--
	OCCUPATIONAL HEALTH AND SAFETY				--	4	4	--	--	--	--
	PAYROLL ADMINISTRATION				732	--	--	11	11	12	13
	POOL VEHICLES - ECONOMIC DEVEL				52	58	58	49	56	58	45
	POOL VEHICLES				1,060	--	--	89	83	101	105
	ESTATES - OTHER				78	189	189	117	135	142	150
	EXECUTIVE SUPPORT				386	658	635	616	596	629	662
	CREDITORS				561	658	658	618	653	683	718
	PENSIONERS EXP- AMBULANCE				--	364	364	251	660	693	728
	PROCUREMENT				306	651	651	421	674	711	749
	MANAGER:FINANCE				636	671	671	616	679	717	755
	MANAGER:CORPORATE SERVICES				635	713	713	660	706	745	785
	INTERNAL AUDIT AND CONTROL				577	688	729	725	721	759	800
	PLANNING AND INFRA ADMIN SUPPO				666	734	734	680	743	783	823
	REVENUE COLLECTION				--	848	848	744	772	814	857
	ASSET MANAGEMENT				278	609	609	529	816	861	907
	REVENUE COLLECTION				720	1,012	1,012	770	1,211	869	924
	PERFORMANCE MANAGEMENT				1,887	1,534	1,409	1,271	1,404	954	1,006
	LEGAL SERVICES				826	933	933	891	936	988	1,041
	CAPACITY BUILDING				3,855	1,605	2,937	2,664	1,947	1,051	1,096
	ESTATES				287	950	950	945	1,160	1,218	1,278
	SECURITY AND CLEANING				1,046	1,243	1,243	1,220	1,302	1,373	1,447
	AUXILIARY SERVICES				857	1,564	1,564	877	1,321	1,395	1,469
	MANAGEMENT				1,297	3,660	1,660	1,544	1,613	1,796	1,881
	SECRETARIAT				1,541	1,730	1,880	1,782	1,779	1,878	1,979
	MANAGEMENT				2,157	2,511	2,534	2,437	2,048	2,157	2,268
	FINANCE MANAGEMENT AND SUPPORT				915	1,162	1,162	818	2,044	2,158	2,275
	OFFICE OF THE SPEAKER				1,521	1,871	1,871	1,622	1,732	2,260	2,330
	PUBLIC RELATIONS				2,517	2,485	2,485	2,304	2,301	2,529	2,557
	PEOPLE MANAGEMENT				2,045	3,332	3,332	1,959	2,048	2,575	2,654
	INFORMATION TECHNOLOGY				2,167	3,005	3,005	2,456	2,898	3,210	3,473
	PENSIONERS EXP - ROADWORKS				3,214	3,556	3,556	3,552	3,545	3,718	3,904
	COUNCIL'S EXPENSES				18,464	6,337	6,824	3,779	4,240	3,940	4,146
	PENSIONERS EXPENDITURE				5,136	3,576	3,607	3,607	3,825	4,031	4,249
	MAYORAL COMMITTEE				3,967	5,363	5,363	4,852	5,012	5,282	5,558
	FINANCIAL ACCOUNTING DIVISION				3,446	9,313	7,862	5,304	6,993	6,525	7,009
<b>COMMUNITY SERVICES</b>											
	RIETBRON LIBRARY				0	--	--	--	--	--	--
	ENVIRONMENTAL HEALTH - MANAGEM				4	--	--	--	--	--	--
	HEALTH				28	--	--	--	--	--	--
	OTHER				22,190	--	--	--	--	--	--
	MANAGEMENT				--	7	--	--	--	--	--
	OTHER				100	--	100	100	--	--	--
	SPORT GROUNDS				322	--	773	760	--	--	--
	CLINICS				2,060	1,045	2,332	2,332	--	--	--
	OTHER				1,808	10,132	4,000	4,000	6,132	--	--

DC10 Cacadu - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ECONOMIC DEVELOPMENT	GRANTS AND DONATIONS				157	180	180	120	150	200	200
	MANAGEMENT				670	500	500	500	300	500	500
	ENVIRON HEALTH				508	550	550	526	577	609	642
	MANAGEMENT										
	HJWAIDS				807	1,227	1,227	757	1,012	1,286	1,310
	SPECIAL PROJECTS UNIT- YOUTH,GR				1,469	3,235	3,965	2,715	2,071	2,415	2,440
	FIRE SERVICE - HEAD OFFICE				6,277	13,213	13,213	12,975	9,287	9,146	8,606
	ENVIRONMENTAL HEALTH				8,388	8,853	9,322	9,131	9,745	9,478	10,022
	DISASTER MANAGEMENT				7,612	5,366	5,636	4,183	6,397	9,513	10,458
	TRADE AND INVESTMENT				0	487	487	-	547	578	609
INFRASTRUCTURE INVESTMENTS	TOURISM PROMOTION & DEVELOPMEN				3,947	6,177	6,783	5,962	4,878	4,737	3,882
	LOCAL ECONOMIC DEVELOPMENT				5,646	12,551	11,591	9,977	4,947	5,556	4,645
	MANAGEMENT				5,021	16,658	16,658	6,050	5,676	8,589	8,805
	RIETBRON HOUSING				6	-	-	-	-	-	-
	MANAGEMENT				6	-	-	-	-	-	-
	RIETBRON SANITATION AND REFUSE				9	-	-	-	-	-	-
	RIETBRON - STREET LIGHTS				26	-	-	-	-	-	-
	RIETBRON ELECTRICITY				43	-	-	-	-	-	-
	RIETBRON:WATER				99	-	-	-	-	-	-
	RIETBRON:ROADS,STREETS AND PUB				877	-	-	-	-	-	-
RIETBRON SANITATION AND REFUSE				-	1,000	1,188	1,188	-	-	-	
OTHER				205	1,000	229	229	900	-	-	
HOUSING CO-ORDINATOR				1,145	2,295	1,514	592	1,245	364	384	
GIS SPECIALIST				626	446	446	394	436	459	484	
PLANNING UNIT - HOD				526	708	708	50	736	777	818	
ROADS AND TRANSPORT				39,814	8,246	17,166	8,498	9,337	958	1,009	
MANAGEMENT				1,759	1,906	1,906	1,364	2,100	2,215	2,332	
WATER SERVICES AUTHORITY - PRO				24,167	17,165	11,864	10,455	14,964	3,049	2,573	
PLANNING UNIT				5,523	2,458	2,601	1,419	3,729	3,146	3,514	
PROJECT MANAGEMENT				4,834	12,784	12,627	10,991	11,472	7,054	6,638	
Allocations to other priorities											
Total Expenditure			-	-	211,568	191,778	189,620	146,048	153,300	128,239	130,512

DC10 Cacadu - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand		A B C D E F G H I J K L M N O P									
Allocations to other priorities											
Total Capital Expenditure			-	-	-	-	-	-	-	-	-



DC10 Cacadu - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Vote 1 - vote name</b>		Refer SDBIP								
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
<b>Vote 2 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
<b>Vote 3 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
<b>And so on for the rest of the Votes</b>										