

ITEM TITLE

SC04/2026 OFFICE OF MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: ADOPTION OF FINAL REVIEW AND AMENDMENT OF THE 2022-2027 FIVE YEAR INTEGRATED DEVELOPMENT PLAN

[English version of the report is the original]

FILE NUMBER

15/1/5/1

PURPOSE / AIM OF REPORT

The purpose of this report is to obtain council approval that the 2022/2027 IDP has been reviewed and amended, taking the approval and implementation of the Financial Recovery Plan (FRP) and the approval of the Spatial Development Framework (SDF) into consideration. Council is satisfied with the strategic direction as contained in the IDP.

BACKGROUND

Section 34 of the Municipal Systems Act: Annual review and Amendment of the Integrated Development Plan, reads as follows:

A municipal council-

- (a) must review its integrated development plan:
 - (i) Annually in accordance with an assessment of its performance measures in terms of sec 41; and
 - (ii) To the extent that changing circumstances so demand; and
- (b) may amend its integrated development plan in accordance with a prescribed process.

The Annual Performance Report and Annual Report should serve as the mechanism that satisfies sub regulation (i)

During recent engagements with provincial treasury a new view was taken on a "Reviewed IDP". This will be further addressed under discussion.

Regulation 3 of Local Government: Municipal Planning and Performance Management Regulations of 2001 states:

- 3. (1) Only a member or committee of a municipal council may introduce a proposal for amending the municipality's integrated development plan in the council.
- (2) Any process for amending a municipality's integrated development plan must be:
 - (a) accompanied by a memorandum setting out the reasons for the proposal; and

- (b) aligned with the framework adopted in terms of section 27 of the Act.
- (3) An amendment to a municipal's integrated development plan is adopted by a decision taken by a municipal council in accordance with the rules and orders of the council.
- (4) No amendment to a municipality's integrated development plan may be adopted by a municipal council unless-
 - (a) All the members of the council have been given reasonable notice;
 - (b) The proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regards to the proposed amendment;
 - (c) The municipality if it is a district municipality has complied with sub-regulation (5); and
 - (d) The municipality; if it is a local municipality; has complied with sub-regulation 6
- (5) A district municipality that considers an amendment to its integrated development plan must-
 - (a) Consult all the local municipalities in the area of the district municipality on the proposed amendment; and
 - (b) Take all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment.
- (6) A local municipality that considers an amendment to its integrated development plan must-
 - (a) Consult the district municipality in whose area it falls on the proposed amendment; and
 - (b) Take all comments submitted to it by the district municipality into account before it takes a final decision on the proposed amendment.

DISCUSSION

Aspects to consider as part of the IDP review process – Status quo

The current planning legislation does not set out the steps to be followed in conducting the review of an IDP other than determining what must inform such a review. Municipalities have therefore followed varied approaches to conducting their reviews and often this has led to the adoption of a "Reviewed IDP".

The revised IDP Guidelines issued by the Department of Cooperative Governance in 2020 started to unpack what a review entails. It states that on an annual basis municipalities are required to review how they have performed against the pre-determined objectives outlined in the IDP.

Whilst the MSA requires a municipality to consider changing circumstances, the 2020 revised Guidelines do not elaborate on the issue other than referring to key questions to be considered when reviewing an IDP, significant changes in relation to budget availability, the spatial layout of an area and changes that impact on projects, programmes or the livelihood of communities.

The proposed 2021 amendments to the MSA Regulations provide that:

- An IDP Review
- must be done by the council;
- take place before the deadline set by the mayor in terms of section 21(1)(a)(i) of the Municipal Finance Management Act, 2003 (MFMA); and
- allow sufficient time for the participation of the local community in the review of the IDP.

The proposed amendments also state that the review process must consider any changed circumstances including changes to national, provincial and local priorities; new or updated policies or events that may necessitate the amendment of an IDP.

Aspects to consider as part of the IDP review process – Guidance

As part of the review, municipalities must therefore assess the progress made in the implementation of their IDPs against the performance targets set out in the IDPs and their top layer Service Delivery and Budget Implementation Plan and identify any areas of concern where implementation is lacking based on the assessment. Furthermore, municipalities must consider whether the identified areas of concern are material to impact the strategic direction of a municipality and therefore may require an amendment.

Possible changed circumstances:

- Changes in population demographics.
- Changes in economic conditions.
- Changes in land use patterns.
- Natural disasters.
- Changes in government priorities, policies or laws.
- Changes in funding or resources.

Outcome of the review process – Status quo

The practice to date has entailed the tabling and adoption of a “Reviewed IDP” as the outcome of the IDP review process, notwithstanding that there is no such provision in the MSA.

The MSA only provides for:

- In the beginning of a new term of office of a municipal council
 - the adoption of a **5-year IDP**; or
 - the adoption of the **predecessors IDP**, with or without amendment.

- In the inner-years of the 5-year planning cycle.
 - the adoption of an **amended IDP** following an IDP review.

Adjusted IDP (section 32(2) and (3) of the MSA.

Outcome of the review process – Guidance

The 2020 revised Guidelines provide that a report to the council which should indicate areas in which the IDP needs to be amended (if the review outcome is that an amendment is required), should ideally be tabled when the annual report is tabled i.e., January. However, municipalities in the Western Cape have indicated a preference to submit such a report at the time of tabling the draft IDP.

In summary, the outcome of the annual review of an IDP is not the tabling and adoption of a “Reviewed IDP”, but a report to a municipal council documenting the out-come of the review (having considered the performance of the municipality and considering any changed circumstances) with a recommendation whether the IDP is to be amended or not. Based on the report, it then remains the prerogative of a municipal council to decide whether the IDP should be amended.

The beforementioned report, ideally, should be the annual report that council adopted on 20/03/2024.

Whether to amend an IDP or not – Status Quo

Given the void in legislation regarding IDP amendment, there have been differing interpretations of what constitutes an IDP amendment. These interpretations include:

- Any changes to an adopted IDP following an IDP review irrespective of their minuteness constitute an amendment that necessitates that the prescribed IDP amendment process outlined in the MSA Regulations be followed.
- Only changes to the strategic objectives or the overall strategic direction as set out in an IDP constitute an amendment.
- Only significant changes to an IDP warrant an amendment.

The 2020 revised Guidelines state that minor changes do not warrant an IDP amendment and that only significant changes should result in the amendment of an IDP. Furthermore, the 2020 Guidelines state that IDP amendments should only be required under exceptional circumstances and should not be done without significant justification. There is no indication in the 2020 Guidelines what constitutes significant changes in budgetary implications in terms of allocations and projections.

Whether to amend an IDP or not – Guidance

An IDP review and the documented outcome thereof is the main determinant when deciding whether to amend an IDP and not the differing interpretations of what constitutes an amendment as alluded to above. Whilst the legislation does not make provision for what constitutes an IDP amendment, it is the prerogative of a municipal council to decide whether it wants to amend its IDP.

Guideline – Summary

In summary, whilst it is the prerogative of a municipal council to decide whether to amend its IDP, such a decision must be made by an assessment of its performance against the pre-determined objectives outlined in the IDP and an assessment of any changed circumstances.

If the assessment of the performance of the municipality indicates that it is on track to meet its strategic objectives and there are no changed circumstances to consider, there might be no need to amend the IDP. However, if such assessment reflects otherwise, the municipal council might have to re-evaluate its strategy, and if in the view that an IDP amendment is required, then the prescribed amendment process is outlined in the MSA Regulations must be followed.

It is also important for Council to note that the following process has been followed in terms of the Final Review and Amendment of the 2022/2027 IDP:

1. Public Participation process – 18 November to 2 December 2025
2. Tabled Draft amendments to council – 31 March 2026: Council Resolution SC01/2026
3. The proposed amendments were published for public comment for a period of at least 28 days. No public comments were received.
4. Consulted the district municipality on the proposed amendment and no comments were received.
5. Consulted the Department of Local Government and the Department of the Premier on the proposed amendments and comments were received and has the Final Document been amended
6. The Comments received relating to the Draft Amended IDP and Draft Budget were presented to the Budget Steering Committee for consideration on 19 May 2026.

The Following reflects the Amendments to the Final IDP after Provincial Comments was received

AMENDMENTS TO THE FINAL IDP

OFFLINE PROVINCIAL COMMENTS BY MS THANDEKA MAPHALALA VIA EMAIL	MUNICIPAL RESPONSE
Draft IDP References the 2019 – 2024 Provincial Strategic Plan which has been replaced by the Provincial Strategic Plan 2025 – 2030 This should be updated to ensure alignment with current Provincial priorities	Been amended and reflects as “Provincial Strategic Plan 2025 – 2030” on Page 219 and 220 of Final Document as well as the Index Page

The Draft IDP reference to MTSF (Medium Term Spatial Framework) should be updated to reflect the Medium-Term Development Plan (2024 – 2029)

It has been updated as “Medium-Term Development Plan (2024 – 2029)” on **Page 28** of Final Document as well as the Index Page

PROVINCIAL ASSESSMENT REPORT INFORMATION HAS BEEN INCLUDED AS FOLLOWS ON PAGES 90 – 92 OF FINAL DOCUMENT

“Provincial assessment of Draft IDP review and proposed amendment and draft Budget for 2026/27

The Western Cape Provincial Government annually assesses the draft IDP’s, and Budgets of municipalities and feedback is given at the Strategic Integrated Municipal Engagements assessment (SIME; previously referred to as LGMTEC) which was held on 18 May 2026. The Theewaterskloof Municipality diagnostic and summary of key Recommendations include the following:

KEY FINDING	THEEWATERSKLOOF MUNICIPAL RESPONSE
<p>1. The Municipality experience infrastructure delivery constraints and capital underspending pressures, driven by procurement inefficiencies and contract management limitations, which have contributed to delays in infrastructure implementation and ongoing service delivery backlogs under Strategic Focus Area (SFA 4). In addition, financial sustainability under SFA 1 remains under pressure, with key financial viability indicators not achieved in 2024/25, reflecting continued liquidity constraints, revenue collection challenges and broader fiscal stress within the FRP environment.</p> <p>The Municipality is therefore recommended to address infrastructure delivery constraints by improving procurement turnaround times and contract management processes and ensuring timely implementation of capital projects in line with FRP milestones, particularly those linked to service delivery backlogs under SFA 4.</p>	<p>Capital Expenditure Framework (CEF)- Alignment with Technical Infrastructure Master Planning/ IDP/ SDF/ LTFF/ MTREF Periods over 10 years. Misalignment and execution limitations due to financial constraints is acknowledged</p>

<p>2. Implement targeted financial recovery interventions under SFA 1, with focus on revenue collection, liquidity management, and creditor payment performance, aligned to FRP requirements and measurable 2026/27 recovery actions.</p>	<p>Our Commitment is to:</p> <ul style="list-style-type: none"> a. Implement targeted financial recovery interventions that directly address the root causes of underperformance b. Strengthen revenue collection mechanisms to improve cash inflows and reduce reliance on external funding. c. Enhance liquidity management practices to safeguard operational continuity and maintain adequate reserves d. Improve creditor payment performance to rebuild trust, reduce penalties and align with regulatory obligations. e. Establish measurable recovery actions for 2026/27, with clear milestones and accountability structures to track progress and demonstrate improvement.
<p>3. Develop a structured LED recovery approach as part of the 2027 -2032 IDP, with a focus on strengthening implementation capacity, defining realistic delivery timelines aligned to FRP milestones to address the structural underperformance in SFA 5.</p>	<p>The Municipality recognizes the importance of reviewing and aligning the Local Economic Development (LED) Strategy with future updates of the Integrated Development Plan (IDP), and this need has already been identified internally. In fact, provision for the review was included as part of the initial budget inputs.</p> <p>However, the Municipality is currently facing significant financial constraints and is implementing a Financial Recovery Plan (FRP), which requires a strong focus on immediate priorities linked to financial stabilization and essential service delivery. Within this context, the review of the LED Strategy has had to be postponed as the Municipality navigates the current rescue phase.</p> <p>The Municipality remains committed to revisiting and updating the LED Strategy as soon as the financial situation allows. In the meantime, any external funding or technical support to assist with this process would be greatly appreciated and would enable the Municipality to move forward with the review sooner.</p>

<p>4.Utilize the identified performance trends as baseline conditions to inform the development of the 2027 – 2032 IDP, including strengthening the integration between planning, budgeting, and performance management, and improving the design of KPIs to ensure meaningful measurement of service delivery outcomes; and</p>	<p>This will be addressed and considered with the development of the 2027 – 2032 IDP</p>
<p>5.Address the concerns raised by sector departments outlined in section 2.1.2</p>	<p>The LED concern has been dealt with under Key Finding 3.</p> <p>The alignment of the health profile with the Overberg District Health Plan of 2026/27, will be addressed and taken into account with the development of the 2027 – 2032 IDP</p>
<p>6.Spatial Development: Since the MSDF will be adopted in May 2026, the municipality should initiate a formal MSDF review process, incorporating a spatial performance report as a core component of the next annual IDP review (new financial year). The Municipality should also include a dedicated MSDF performance review section in the IDP, explicitly assessing implementation progress, outcomes, gaps and whether any triggers for amending the MSDF have arisen. Theewaterskloof Municipality confirmed that an amendment of the MSDF, which includes CEF is underway and that it is intended to be adopted mid-2026 through an IDP amendment process</p>	<p>The department takes cognizance of the comments. The department has put measures in place to review the new SDF annually upon approval. This will be done in collaboration with DEADP: Planning</p>

LEGAL RESPONSIBILITY

Section 25, 34, 35 of the Municipal Systems Act.

RISK MANAGEMENT IMPLICATION

Not applicable.

FINANCIAL IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

- 1. That Council approves the Final Amendments to the IDP 2022/27 in terms of Section 34 of the MSA, and which is reflected under "Discussion" of this report**
- 2. That Council notes the Memorandum setting out the reasons for the amendment and the process which was followed.**
- 3. That Council is satisfied that all legislative requirements have been met.**
- 4. That Council note that copies of the Draft Amended IDP 2022/2027 were made public in accordance with the legislative framework and guidelines.**
- 5. That Council note that copies of the Draft Amended IDP 2022/2027 were circulated to all required organs of state.**
- 6. That Council note that the draft Amended IDP 2022/2027 was advertised for public comment for period of not less than 28 days.**
- 7. That Council notes that all comments received relating to the Final Draft Amended IDP were presented to the Budget Steering Committee on 19 May 2026.**
- 8. That Council notes that the above-mentioned process and direction has already been workshopped with Provincial Treasury who in turn will workshop with Municipal Managers and Mayors.**
- 9. That Council notes that the Final Amended IDP 2022/27 will be published for Public Information**
- 10. That Council notes that the Final Amended IDP 2022/27 will be submitted to Provincial Directorate Integrated Development Planning and the Overberg District Municipality**

RESOLVED BY COUNCIL: 28 MAY 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman DA Appel and seconded by Alderman S Fredericks it was resolved as follows:

- 1. Council approves the Final Amendments to the IDP 2022/27 in terms of Section 34 of the MSA, and which is reflected under “Discussion” of this report with the following addition on page 213:**

Ward 2:

- Bereaville - New pathway giving access from Church Street to Long Street with a bridge crossing over a river stream.**
 - Boschmanskloof - New bridge crossing over the Scholtz River in Vlei Avenue to Protea Avenue.**
- 2. Council noted the Memorandum setting out the reasons for the amendment and the process which was followed.**
 - 3. Council is satisfied that all legislative requirements have been met.**
 - 4. Council noted that copies of the Draft Amended IDP 2022/2027 were made public in accordance with the legislative framework and guidelines.**
 - 5. Council noted that copies of the Draft Amended IDP 2022/2027 were circulated to all required organs of state.**
 - 6. Council noted that the draft Amended IDP 2022/2027 was advertised for public comment for period of not less than 28 days.**
 - 7. Council noted that all comments received relating to the Final Draft Amended IDP were presented to the Budget Steering Committee on 19 May 2026.**
 - 8. Council noted that the above-mentioned process and direction has already been workshopped with Provincial Treasury who in turn will workshop with Municipal Managers and Mayors.**
 - 9. Council noted that the Final Amended IDP 2022/27 will be published for Public Information.**
 - 10. Council noted that the Final Amended IDP 2022/27 will be submitted to Provincial Directorate Integrated Development Planning and the Overberg District Municipality.**

For finalization by the Office of the Municipal Manager, Mr R de Lange.