

PORTFOLIO COMMITTEE :
FINANCE & ECONOMIC DEVELOPMENT

Chairperson :

Cllr D Coetzee

Committee Members :

**Ald P May, Cllrs L Krige,
R de Coning, S Gxamesi**

PORTEFEULJEKOMITEE :
FINANSIES & EKONOMIESE ONTWIKKELING

Voorsitter :

Rdl D Coetzee

Komitee lede :

**Rdh P May, Rdle L Krige,
R de Coning, S Gxamesi**

FINANCE & ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE
FINANSIES & EKONOMIESE ONTWIKKELING PORTEFEULJEKOMITEE

16 FEBRUARY 2016

I N D E X

ITEM

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NUMBER**

OPENING

APPLICATIONS FOR LEAVE OF ABSENCE

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE
CHAIRPERSON**

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**AGENDA of the
Portfolio Committee : Finance & Economic Development
16 February 2016
(Also the agenda for the Mayoral Committee Meeting : 24 February 2016)**

**1.
ECONOMIC DEVELOPMENT AND TOURISM SERVICE DELIVERY AND ACTIVITY
REPORT**

9/1/2/2

**Solomzi Madikane
24 February 2016**

(028) 313 8066

Corporate Head Office

1. Executive Summary

Local Economic Development forms a critical part of the municipality hence its recognition in Chapters 4, 5, 6 of the Local Government : Municipal Systems Act, No. 32 of 2000. The municipality has a dedicated chapter in its Integrated Development Plan outlining an approach to achieving its identified strategies. This report is therefore designed and outlined as the result of development strategies identified by the municipality through its Integrated Development Plan.

2. Service Delivery and Budget Implementation Plan - IGNITE

Economic Development and Tourism

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Promotion of tourism, economic and social development

4. Delegated Authority

Executive Mayor

5. Legal Requirements

Section 152 (c) of the Constitution of the Republic of South Africa, 1996
Section 4 of the Local Government: Municipal Systems Act, No 32 of 2000
Section B of the White Paper on Local Government, 1998

6. Background/Discussion/Evaluation/Conclusion

Background

Local Economic Development

The Municipality's effort of focussing on community based economic development as a strategic objective is based on the premise that community based economic development is not only focused on the economic aspects that

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see people conducting successful businesses and strive. The Municipality in fact grapples with inequality and poverty within certain communities which have long term negative implications on development in the Municipality. Central to this are the efforts of addressing poverty through the following means and approaches:

- Encourage consumers to become producers by implementing job creation initiatives and career advancement opportunities as means of changing the well-being of communities;
- The introduction of preventive interventions with support mechanisms and services that help people steering away from grant support;
- Efforts and emphasis are about building hope and belonging where people can realise their worth as assets and lead them away from dependency towards viability and growth;
- Helping and supporting entrepreneurship and business owner support towards building enterprises that provide needed products and services;

It is important to remember that LED is a long-term process and this implies that co-ordinating LED must be in a way that ensures sustainability, consistency and stability over a period of time. It is against this background that the municipality's economic growth remains healthy (if compared with other Municipalities) and that the impact on jobs must become a priority and a tool to change people's lives.

Tourism

Tourism's focus is to promote the Cape Whale Coast area as a prime tourism destination and in doing so develop and increase tourist activity and brand awareness, potentially create more business opportunities and ensuring that all marketing activities are in line with the Overstrand Economic Development's Strategy/IDP.

Functions

- Supporting festivals and events
- Market research and visitor monitoring
- Tourism stakeholder engagement
- Branding and marketing
- Coordinating and supporting Local Tourism Office initiatives.

7. Financial Implications

As budgeted in the 2015/16 financial year

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8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

- Annexure A: LED Activities Report
- Annexure B: Tourism Quarterly Report
- Annexure C: Maturity Assessment Report

RECOMMENDATION:

that the Economic Development and Tourism Service Delivery and Activity Report,
be noted.

RESPONSIBLE OFFICIAL :

S MADIKANE

TARGET DATE FOR IMPLEMENTATION :

25 JANUARY 2016

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**1.
ECONOMIC DEVELOPMENT AND TOURISM SERVICE DELIVERY AND ACTIVITY
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**Solomzi Madikane
24 February 2016**

(028) 313 8066

Corporate Head Office

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
16 FEBRUARY 2016, WHICH COMMITTEE SUPPORTED THE
RECOMMENDATION**

RESPONSIBLE OFFICIAL :

S MADIKANE

TARGET DATE FOR IMPLEMENTATION :

25 JANUARY 2016

LOCAL ECONOMIC DEVELOPMENT AND TOURISM QUARTERLY ACTIVITY AND SERVICE DELIVERY REPORT

1. INTRODUCTION

The Municipality currently enjoys positive growth (if compared with other Municipalities) and is placed in the top 5 performing municipalities. Once again the municipal area has enjoyed a bumper season with more and more visitors choosing Overstrand as a preferred destination.

2. DESTINATION MARKETING

Over the year the marketing destination was prioritised as a strategic approach to attract visitors and boost the local economy through local spending. Partnerships with the private sector formed a critical part in ensuring availability of good and quality tourism products. Cape Whale Coast's visibility in exhibition and marketing shows has yielded positive results coupled with the marketing partnerships with the private sector and tourism offices.

Gansbaai's achievements should be noted and praised for the benefits that can be accrued over the time as long lasting impact thereof. These achievements, going hand in hand with the municipality accolades, are supported by other recognised awards awarded to local businesses, organisations and individuals alike. We salute them for their efforts and contribution to achievements of our goals.

3. PRIORITIZING LOCAL BUSINESSES IN 2016

Local businesses are critical to overcoming many of our biggest challenges such as reducing inequality to building better and vibrant communities.

Our focus points will be:

- All efforts must be aimed at new businesses to start up in order to ensure long-term job creation and employment creation.
- Build on the successful PACA processes including private sector engagement to tackle conditions affecting local businesses and promoting entrepreneurship.
- Red Tape reduction initiatives implemented with other departments for ease of doing business in the Municipality
- Local entrepreneurship has a positive effect on three critical indicators on economic performance:
 - (a) The per capita income growth
 - (b) Employment growth and
 - (c) Decrease in the poverty rate
- Fostering an economy of small-scale businesses to effectively close the gap between the rich and the poor:
 - (d) Buy local campaigns
 - (e) Local procurement and integration of LED objectives into procurement

- (f) Targeted development of local ownership and the introduction of a range of tools to strengthen locally owned businesses.

4. STAKEHOLDER ENGAGEMENT

On 2 Dec' 2015, the Economic Development and Tourism Directorate organised a stakeholder engagement recognising the valuable input of local stakeholders. The Directorate's focus was to engage with diverse stakeholders within and outside of local government so as to contribute to economic development. We believe that collaborative partnerships are more important given the complexity and diversity of interests in economic development. This engagement was a great success, as it brought the right people and organisations to the table. We reached out to various parties and broke down communication barriers, ultimately co-ordinating and leveraging action. This session was also very informative and a learning experience for all who attended as we had guest speakers who shared in their expertise on how to sustain our nature based livelihoods amongst our local communities.

5. LED MATURITY ASSESSMENT

The Executive Mayor, The Chairperson of the Portfolio Committee on Finance and Economic Development, the Municipal Manager and the Director with his team were part of the annual exercise to assess the municipal maturity on LED. (Report attached as Annexure C). Once again in the municipal performance, shown by its upward trajectory in terms of its maturity in implementing LED, is recognised.

TRAINING AND CAPACITY BUILDING:

5.1 Business strategy course offered by provincial Department of Economic Development (DEDAT) and the University of the Western Cape (UWC) – 3 & 4 November 2015

This programme was aimed at supporting emerging businesses, creating growth and job opportunities. The intervention was aimed at training 1000 SMMEs operating in the Western Cape with the following outputs:

- To identify, screen and recruit a targeted pool of existing business owners whose businesses are operational in the Western Cape and have a trading history as well as a valid tax clearance certificate
- To grow the business skills and competencies of these owners (to face the challenges of regional economic development) and
- To assist these business owners to develop and implement better strategies and plans that ensures sustainable growth and development of themselves, their business, their market and contribute to more jobs being created in the long term

The 2 Day Training Programme's content was:

- Business Strategy Development

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- Marketing and Sales Strategy Development
 - Operation Strategy Development
 - Financial Strategy Development
- 25 MME's in the Overstrand region attended the training

5.2 ABSA sponsored Workshop for Project Management and Introduction Management 28 & 29 October 2015

The 2 Day Training Programme's content was:

- Introduction to Project Management
- Introduction to Financial Management

6. LED AND PROCUREMENT

Local emerging contractors who were beneficiaries of a capacity building programme aimed at developing competent contractors will benefit from this programme as they will now compete in sub-contracting opportunities aimed at giving them opportunities to grow.

7. EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The municipality is amongst the best performing municipality when it comes to creation of job opportunities within the programme. The programme is not just depended on grant funding but ensures at every opportunity that labour intensive approaches are utilised.

7.1 Targets Set and Achieved: As per targets set by National Public Works

Targets for 2015/16	Achieved for 01 Oct – 31 Dec 2015
Work Opportunities (WO) -	396 Work Opportunities (WO) – 315
Full Time Equivalent (FTE's) - 55	Full Time Equivalent (FTE's) – 68.99

7.2 Grant funding

2015/16 Grant Allocation:	R1, 661 000
Amount Spent:	R1 034 0126
Percentage Spent:	88,92%

EPWP PROJECTS REPORTED

July to December 2015

Project Name	Sector (INFR, EAC or SOC)	Project Number	Project Budget	Start Date	End Date	Number of WO created	Demographics			Number of working days	Number of FTE's created
							Number of youth	Number of women	Number of people with disabilities		
EPWP GRANT FUNDED PROJECTS											
IG/Community Fire Protection Project:002	EAC	IGWC/EAC/2015/16/LED	R 199 980.00	01 August 2015	31 January 2016	10.00	8.00	2.00	0.00	937.00	4.07
IG/EPWP Tourism Internship Project	EAC	IGWC/EAC/2015/16/LED1	R 242 422.62	01 July 2015	30 June 2016	5.00	5.00	3.00	0.00	643.00	2.79
IG/Maintenance of Mountain Bike Trails	EAC	IGWC/EAC/2015/16/LED5	R 29 997.00	06 July 2015	30 September 2015	3.00	1.00	0.00	0.00	175.00	0.76
IG/EPWP Enterprise Development Project	SOC	IGWC/SOC/2015/16/LED2	R 357 621.50	01 July 2015	30 June 2016	16.00	16.00	11.00	0.00	733.00	3.18
IG/EPWP Library Project	SOC	GWC/SOC/2015/16/LED3	R 38 361.01	01 September 2015	30 June 2016	1.00	0.00	1.00	0.00	87.00	0.37
IG/EPWP Parking Management Services Project	SOC	IGWC/SOC/2015/16/LED4	R 682 037.65	01 July 2015	30 June 2016	56.00	43.00	37.00	0.00	5639.00	25.38
IG/EPWP Project Management and Admin Assistance	SOC	IGWC/SOC/2015/16/LED6	R 140 248.60	01 July 2015	30 June 2016	2.00	2.00	2.00	0.00	266.00	1.15
EPWP Fernkloof Marshaal Project	SOC	IGWC/SOC/2015/16/LED7	R 170 297.64	01 July 2015	30 June 2016	4.00	4.00	0.00	0.00	236.00	1.02
						97.00	79.00	56.00	0.00	8916.00	36.72
EPWP PRINCIPLE PROJECTS - OWN FUNDING											
Maintenance of Sport Grounds Projects	EAC	WC/EAC/2015/16/OVE02	R 135 764.20	01 July 2015	30 June 2016	5.00	2.00	0.00	0.00	357.00	1.55
Cleaning Taxi Rank and Community Halls	EAC	WC/EAC/2015/16/OVE03	R 87 324.60	01 July 2015	30 June 2016	4.00	1.00	2.00	0.00	411.00	1.78
Hermanus Solid Waste Project	EAC	WC/EAC/2015/16/OVE06	R 92 251.00	01 September 2015	31 October 2015	7.00	2.00	2.00	0.00	260.00	1.13
Maintenance of Parks, Streets and Stormwater	EAC	WC/EAC/2015/16/OVE07	R 161 438.00	01 September 2015	30 November 2015	15.00	2.00	6.00	0.00	622.00	2.70
Oversstrand EPWP Alterschool Project	SOC	WC/SOC/2015/16/OVE01	R 57 564.00	01 July 2015	09 December 2015	7.00	4.00	5.00	0.00	615.00	2.67
EPWP Traffic Admin Assistance Project	SOC	WC/SOC/2015/16/OVE02	R 43 632.00	14 December 2015	30 June 2016	2.00	2.00	2.00	0.00	28.00	0.12
EPWP Protection Services Seasonal Project	SOC	WC/SOC/2015/16/OVE03	R 245 430.00	14 December 2015	31 January 2016	54.00	54.00	27.00	0.00	645.00	2.80
						94.00	67.00	46.00	0.00	2938.00	12.75
TENDER PROJECTS											
Mount Pleasant Top Structures	INFR	WC/INF/SC055/2007/1	R 15 148 445.00	01 September 2015	30 June 2016	86.00	56.00	2.00	0.00	2836.00	12.33
Zweilike USB	INFR	WC/INF/SC055/2007/2	R 18 396 686.00	01 July 2015	30 June 2016	25.00	15.00	1.00	0.00	1054.00	4.58
Swarddam Road Housing Project	INFR	WC/INF/SC055/2007/2	R 5,677,661.00	01 November 2015	30 June 2016	13.00	10.00	0.00	0.00	142.00	0.61
						124.00	81.00	3.00	0.00	4032.00	17.52
						315.00	227.00	105.00	0.00	15886.00	68.99

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Walk-in Centre

The walk-in centre in Hermanus remains key in the strategy to provide face to face consultation to the clients and to facilitate a process through which their basic entrepreneurial needs are met.

The following are statistics of people who were assisted in **October, November & December 2015** through the walk-in centre

AREAS	Hermanus	Gansbaai	Zwelihle	Hawston	Totals
Service Required					
Looking for Job Opportunities	100	67	05	06	178
Business Assistance	54	20	52	38	164
CIPC Linkages	25	09	26	28	88
SARS Linkages	11	86	05	0	102
Supply Chain linkages	05	0	02	0	07
BBBEE Linkages	01	0	04	0	05
NYDA training	0	0	02	0	02
Bursary and Career guidance	03	04	0	0	07
Internet search	55	0	0	0	55
New Co-operative	02		0	04	06
New Company	03	07	0	07	17
Total Linkages	42	92	53	28	215
Total Walk-ins	209	166	49	68	492