

1. ITEM NUMBER URBM 26/06/20

2. SUBJECT

TOWNSHIP ECONOMIC DEVELOPMENT PROJECT AS AN INITIATIVE OF NATIONAL TREASURY'S CITIES SUPPORT PROGRAMME

ONDERWERP

PROJEK VIR DIE EKONOMIESE ONTWIKKELING VAN DORPSGEBIEDE AS 'N INISIATIEF VAN NASIONALE TESOURIE SE PROGRAM VIR STEUN AAN STEDE

ISIHLOKO

IPROJEKTHI ENGOPHUHLISO LEZOQOQOSHO ELOKISHINI NJENGEPHULO LWENKQUBO KANONDYEBE WESIZWE ENGENKXASO YEZIXEKO

LSU L4132

3. DELEGATED AUTHORITY

Section 79 Portfolio Committees set out in terms of Part 7: Section 79 Portfolio Committee – General Delegations of Council sets out the generic delegations with particular reference to the following:

Par 1.7: To monitor the implementation of Council's IDP, budget, business plans, strategic objectives, policies and programmes in relation to the functional area and report thereon to the Executive Mayor together with the Mayoral Committee for submission to Council.

Par 1.9: To assist the Executive Mayor to determine the best way, including partnerships and other approaches to deliver on Council's strategies, programmes and services to the maximum benefit of the City within the Committee's functional area and to recommend the same to the Executive Mayor together with the Mayoral committee for submission to Council

Par 1.13: To conduct research, community and other consultations and undertake inspections in regard to matters relating to the committee's oversight functions

This report is **FOR DECISION AND FOR NOTING BY**

- Committee name : Urban Management Portfolio Committee**
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

4. DISCUSSION

i. Context of the Township Economic Development (TED) Project

The City Support Programme (CSP) is a National Treasury's programme that seeks to enable cities to better support urban economic growth and focusses on creating an enabling intergovernmental environment, developing fiscal policy incentives for change as well as providing city implementation support. The CSP has 5 components of support work namely:

- Core City Governance
- Human Settlements
- Public Transport
- Climate Resilience and Sustainability
- Economic Development

Research was undertaken by National Treasury during the first phase of the CSP regarding township economies with a specific focus on industrial hubs, the food economy, economic concentration and the development of tools for township economic development (TED) planning.

National Treasury has completed Phase 1 of the CSP and the work undertaken during CSP1 on the township economies argued that the main aims of township economic development strategies should be the following:

a) Enhancing incomes from economic activity taking place in the township

Forging business and market linkages beyond the geographical boundaries of the township and encouraging innovation should be one of the critical areas to look at.

b) Strengthening asset accumulation.

A stronger asset base limits vulnerability for entrepreneurs and households and interventions like title deed handovers or other forms of secure tenure enable investment in upgrading business facilities and in-home improvements are areas that should come under consideration.

c) Creation of jobs

Direct programmes e.g. public employment programmes and indirect programmes like regeneration projects, provision of public transport etc. are forms of facilitating job creation which should be pursued and or enhanced as part of a TED strategy.

d) Strengthening the enabling environment so that the scale of all the above can grow

This would entail harnessing the contributions of relevant national and provincial departments and parastatals around the City and community's vision and development strategy for the township.

ii. **TED work within CSP2 initiative**

The TED work within CSP2 is designed to support cities in the actual development implementation and institutionalization of integrated TED strategy for the City of Cape Town and is envisaged to adopt a two pronged approach.

The first prong involves the service provider team engaging with the Metro to assess:

- Current and planned public and private sector investments within the township
- Current and planned civil society investments within the township
- Current and future planning processes for the township
- Existing socio economic data and information on the township and stakeholders that should be consulted or participate in a TED planning review and strategy formulation process

The service provider is then required to work with the relevant city officials to:

- Develop an action plan for quick wins
- Identify the City administrative and political champion
- Set up a transversal management team if required
- Implement the action plan

The 2nd prong of the project is to facilitate a systematic TED planning, implementation and review programme that is to inform an inter-governmental and multi stakeholder response to the chosen township. It is intended that this cyclical approach to township development should be institutionalized within the metro and be repeated as part of the City's five (5) year IDP planning and review process.

National Treasury will utilize its intergovernmental platforms to facilitate planning and budgeting across all spheres of government in support of the TED strategy

iii. **Current status of TED project in the City of Cape Town**

- i. National Treasury has gone out on a tender process and appointed service providers to work with the Metro's in the roll out of these projects.
- ii. The service provider was appointed by National Treasury is the Sustainable Livelihoods Foundation and their CEO Andre Charman has extensive experience working in economic development projects in township locations, both in Cape Town and across the continent.
- iii. The Terms of Reference was set by National Treasury and working through the CSP focal points in each of the metros the projects were discussed in January 2020 and tentative programmes which would be of value to each of the metros were drafted for possible implementation.
- iv. The CSP focal point in the City of Cape Town is Hugh Cole, Director: Policy and Strategy (Corporate Services Directorate: Policy and Strategy Department). Hugh Cole initially approached the Enterprise and Investment Department as it was felt that given the economic nature of these programmes it was felt that the said department should take the lead in conceptualizing and providing direction to each of the service providers in the different focus areas.
- v. In terms of the Township Economies Programme, Lance Greyling the Director: Enterprise and Investment agreed to be the interim leader but on condition that he would simply play the role of helping facilitate interaction between the service provider and the Urban Management Directorate.
- vi. The Director: Enterprise and Investment considered and determined that the appropriate directorate to be the main driver of this project to be the Urban Management Directorate.
- vii. The Terms of Reference for this project is for a project to be run over three (3) years in a 4 – 5 square kilometre designated area of one specific township in Cape Town.
- viii. Once an area has been chosen an overarching strategy will then be developed and eight (8) projects will be identified in consultation with the community to be run in the identified area/s.

- ix. The Director: Enterprise and Investment had one (1) exploratory meeting with the service provider about the type/s of locality which would best fit this kind of project and one of the areas that was strongly motivated for was that of the Delft community.
- x. The reason for that was that an extensive economic survey was recently done in this area for the Western Cape Government by the Sustainable Livelihoods Foundation (SLF) and it would be ideal to build off these findings in terms of devising the action plan going forward.
- xi. On 5 May 2020, the Director of Enterprise and Investment formally handed over the TED project to the Executive Director: Urban Management to lead as well as to pursue the ultimate decision over the locality to be chosen for the project in consultation with the service provider and whatever other stakeholders are deemed to be appropriate

4.1. Financial Implications None Opex Capex

Capex: New Projects

Capex: Existing projects requiring additional funding

Capex: Existing projects with no additional funding requirements

4.2. Legal Compliance

4.3. Staff Implications Yes No

5.1 Risk Implications Yes No

6. RECOMMENDATIONS

It is recommended that:

- a. the report on the Township Development Project under the auspices of National Treasury's Cities Support Programme **BE CONSIDERED AND NOTED** by the Urban Management Portfolio Committee.
- b. the adoption of the Township Economic Development project as an economic development project of the Urban Management Directorate **BE APPROVED**.
- c. the project Township Economic Development project be included in the relevant business plans of the Urban Management Directorate for the 2020/2021 – 2022/2023 **BE CONSIDERED**.
- d. The identification of the Delft area as the preferred locality for the implementation of the TED project **BE ENDORSED AND/OR BE SUPPORTED** by the Urban Management Portfolio Committee.

AANBEVELINGS

Daar word aanbeveel dat:

- a. die portefeuljekomitee oor stedelike bestuur **OORWEGING SKENK AAN EN KENNIS NEEM VAN** die verslag oor die projek vir ontwikkeling van dorpsgebiede wat val onder nasionale tesourie se program vir steun aan stede.
- b. die goedkeuring van die projek vir die ekonomiese ontwikkeling van dorpsgebiede as 'n ekonomieseontwikkelingsprojek van die direktoraat stedelike bestuur **GOEDGEKEUR WORD**.
- c. **DAAR OORWEEG WORD** dat die projek vir die ekonomiese ontwikkeling van dorpsgebiede by die tersaaklike sakeplanne van die direktoraat stedelike bestuur vir 2020/21 – 2022/23 ingesluit word.
- d. Die portefeuljekomitee oor stedelike bestuur die identifisering van die Delftgebied as die gewenste ligging vir die implementering van hierdie projek **ONDESKRYF EN/OF STEUN**.

IZINDULULO

Kundululwe ukuba:

- a. IKomiti yeMicimbi yoLawulo lweDolophu **MAYITHATHELE INGQALELO KWAYE IQWALASELE** ingxelo emalunga neProwujekthi engoPhuhliso lweeLokishi ephantsi kweNkqubo kaNondyebo yeSizwe engeNkxaso yeZixeko.
 - b. **MAKUPHUNYEZWE** ukumiselwa kweprowujekthi engoPhuhliso lwezoQoqosho lweeLokishi njengeprowujekthi engophuhliso loqoqosho yeCandelo loLawulo lweDolophu.
 - c. **MAKUTHATHELWE INGQALELO** iprowujekthi engoPhuhliso loQoqosho lweLokishi ukuba iqukwe kwizicwangciso ezifanelekileyo ezingokuqhutywa komsebenzi weCandelo loLawulo lweDolophu ukususela kowama-2020/2021 ukuya kowama-2022/2023.
 - d. **MAKUQINISEKISWE KWAYE KUXHASWE** yiKomiti yeMicimbi yoLawulo lweDolophu ukuchongwa kommandla wase-Delft njengendawo ekulungeleyo ukumiselwa kweProwujekthi engoPhuhliso loQoqosho lweeLokishi (TED).
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FOR FURTHER DETAILS CONTACT

NAME	Noziquququ Nomkazimlo (Zimlo) Lalendle	CONTACT NUMBER	021 417 008 084 221 0745
E-MAIL ADDRESS	Zimlo.Lalendle@capetown.gov.za		nmlalendle
DIRECTORATE	Urban Management	FILE REF No	

DIRECTOR: URBAN MANAGEMENT (AREA CENTRAL)

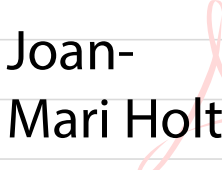
NAME	Wilfred Schrevian Evan Solomons-Johannes	COMMENT:
DATE	27.05.2020	
SIGNATURE		

EXECUTIVE DIRECTOR: URBAN MANAGEMENT

NAME	Mr Philemon Mashoko	COMMENT:
DATE		
SIGNATURE	 Digitally signed by Philemon Mashoko Date: 2020.05.27 16:00:26 +02'00'	

LEGAL COMPLIANCE

- REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION. NON-COMPLIANT

NAME	Joan-Mari Holt	COMMENT:
DATE		
SIGNATURE	 Digitally signed by Joan-Mari Holt Date: 2020.05.29 13:54:37 +02'00'	

Joan-Mari Holt

Subject: TOWNSHIP ECONOMIC DEVELOPMENT PROJECT AS AN INITIATIVE OF NATIONAL TREASURY'S CITIES SUPPORT PROGRAMME

Due to the urgency of the report the following comments are made regarding legal compliance:

It is unclear in terms of what authority the PC can resolve upon recommendation 6b) and d) of the report. Our office is consequently not in a position to make a determination on legal compliance.

Kind regards

Joan-Mari Holt

Legal Advisor

Office of the City Manager

05th Floor, Podium, Cape Town Civic Centre

Tel: 021 400 2753

Fax: 086 588 6419

Mobile: 072 216 6840

E-mail: Joan-Mari.Holt@capetown.gov.za



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