

ITEM NUMBER: C 12/05/16

*RECOMMENDATION FROM THE EXECUTIVE MAYOR: 17 MAY 2016*

MC 29/05/16 REQUEST FOR DISBURSEMENT OF FUNDING TO THE WESTERN CAPE ECONOMIC DEVELOPMENT PARTNERSHIP (WCEDP)

It is **RECOMMENDED** that:

- (a) the Western Cape Economic Development Partnership (WCEDP) progress report for the 2014/2015 year be noted
- (b) the deliverables, set out in Annexure A to the report on the agenda, be approved for the 2015/16 financial year
- (c) a disbursement of R1 500 000 (14% VAT where applicable) be made to the WCEDP and debited to cost centre 19060011 Economic Development Facilitation, GL457 200.



REPORT TO COUNCIL

DATE 2016-05-17

1. ITEM NUMBER : MC 29/05/16

2. SUBJECT

REQUEST FOR THE DISBURSEMENT OF FUNDING TO THE WESTERN CAPE ECONOMIC DEVELOPMENT PARTNERSHIP (WCEDP).

ONDERWERP

VERSOEK OM DIE UITBETALING VAN FONDSE AAN DIE WES-KAAPSE VENNOOTSKAP VIR EKONOMIESE ONTWIKKELING (WCEDP).

ISIHLOKO

ISICELO SOKUSETYENZISWA KWEZIMALI KUBUHLAKANI BEZOPHUHLISO LOQOQOSHO LWASENTSHONA KOLONI (WCEDP).

[G4030]

3. STRATEGIC INTENT

- Opportunity City

**Objective 1.1:** Create an enabling environment to attract investment that generates economic growth and job creation

**Programme 1.1(a):** Western Cape Economic Development Partnership Programme

Making progress possible. Together.

#### 4. PURPOSE

The purpose of this report is to seek authority to disburse the third annual funding tranche to the Western Cape Economic Development Partnership (WCEDP) under the terms of the three-year agreement (council resolution C50/12/13 - 4<sup>th</sup> December 2013) between the City of Cape Town and the WCEDP.

#### 5. FOR NOTING BY / FOR DECISION BY

This report is for decision by:

- The Executive Mayor together with the Mayoral Committee
- Council

#### 6. EXECUTIVE SUMMARY

The WCEDP is an independent non-profit company that seeks to empower role-players with the opportunity to work together to improve the local and regional economy. The WCEDP's focus is on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

The WCEDP is designed to "lead, co-ordinate and drive the economic growth, development and inclusion agenda for Cape Town and the Western Cape". The City of Cape Town and the WCEDP have agreed to work together in the following areas:

- Partnership formation
- Partnership support
- Communication of the Cape Town functional region's business brand
- Economic intelligence.

In identifying these areas of support the City of Cape Town has ensured that the WCEDP's strategies and programmes are aligned with its priorities as contained in the Integrated Development Plan (IDP) and Economic Growth Strategy (EGS).

In support of the WCEDP's goals and initiatives, and the City of Cape Town's economic priorities, this report seeks the approval for the disbursement to the WCEDP of the amount of R1 500 000 in compliance with SARS Interpretation Note: No 39 (Issue 2) paragraph 6.4 dated 8 February 2013 that confirms "that all methods which involve the actual procurement of goods or services do not fall within the meaning of a grant whether the official procurement methods were used or not".

Budget for this purpose has been allocated in the 2015/2016 budget and has been allocated to cost centre 19060011 and GL 457 200.

## 7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- a) The WCEDP progress report for the 2014/2015 year be noted.
- b) The deliverables, set out in Annexure A, be approved for the 2015/16 financial year.
- c) A disbursement of R1 500 000 (14% VAT where applicable) be made to the WCEDP and debited to cost centre 19060011 Economic Development Facilitation, GL457 200.

## AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) Daar kennis geneem word van die WCEDP-vorderingsverslag vir die 2014/2015-jaar.
- b) Die leweringsuitsette wat in bylae A uiteengesit word vir die 2015/16-boekjaar goedgekeur word.
- c) 'n Uitbetaling van R1 500 000 (BTW van 14%, waar van toepassing) aan die WCEDP beskikbaar gestel word en teen kostesentrum 19060011, fasilitering van ekonomiese ontwikkeling, GL457 200, gedebiteer word.

## IZINDULULO

Azigunyaziswanga: isigqibo seseBhunga:

Kundululwe ukuba:

- a) Makuqwalaselwe ingxelo engenqubela-phambili ye-WCEDP kunyaka wama-2014/15.
- b) Makuphonyezwe imibandela ekufuneka ifezekisiwe njengoko iqulunqiwe kwisihlomelo-A, kunyaka-mali ka-2015/16.
- c) Makunikezelwe intlawulo ye-R1 500 000 (i-14% yeRhafu-ntengo apho kufanelekileyo) kwabe-WCEDP kwaye ifunyanwe/yoxulwe kwiziko lendleko 19060011 elingezeNgcaciso kwezoQoqoqsho noPhando, GL 457200.

## 8. DISCUSSION/CONTENTS

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The primary roles of the WCEDP is to mobilise and organise partners across all sectors, spheres and regions to establish a common agenda around economic development and align mandates and resources so that partners can collectively and more creatively address the multiple and persistent challenges of unemployment, poverty and inequality facing the region. Another key role is to improve the performance of the regional economic delivery system in order to achieve higher levels of inclusive growth.

Furthermore, the WCEDP focuses on co-creating an economic vision and strategy for the region, co-ordinating efforts across silos, spheres of government, institutions, sectors and boundaries, and facilitating local implementation partnerships. The WCEDP is an "intermediary" organisation which facilitates collaborative activities between members and supports the establishment of local economic partnerships.

It is to be noted that the WCEDP currently has over 240 member organisations and 600 individuals with some overlap, from across the full spectrum of economic involvement and development in the region. These include public entities; business, industry and professional organisations; knowledge, research and policy institutions; civil society; those involved as economic development promotion and intermediary support organisations; and trade unions. Membership is open to all formally registered associations actively participating in the Western Cape economic development and delivery systems.

In 2015, the WCEDP received a disbursement of R1 500 000 to undertake activities in the following broad areas as per the 3-year MOU between the WCEDP and CCT:

- Quality access to decision makers
- Support to strategic initiatives
- Economic performance information and intelligence
- Delivering on the Western Cape Investment Framework

The following deliverables was agreed to:

- Partnership formation (Aerotropolis and urbanisation Action Partnership)
- Partnership support (advisory support to the Greater Tygerberg Partnership)
- Communication of the Cape Town functional region's business brand (Articulation and promotion of the Cape Town economic & business brand through various platforms)
- Economic Intelligence (support to CCT economic intelligence initiatives).

## Highlights

The WCEDP has undertaken extensive work in regard to agreed deliverables with the CoCT for the 2014/15 financial year. The detailed work undertaken includes the following:

- **Partnership Formation**

The WCEDP has been participating in all aerotropolis steering committee meetings as well as holding separate engagements with individual stakeholders. Work has included presentations on aerotropolis concepts and assessments of partners and mandates. With regard to urbanisation action partnerships, WCEDP has been engaging with various public, private and civil society stakeholders towards identifying a common agenda. Various meetings have been held in this respect to gauge interest in a platform to engage the City of Cape Town directly on urbanisation, participation in the National Department of Planning, Monitoring & Evaluations, focusing on land value capture options for Cape Town options.

- **Partnering Support**

WCEDP has been providing advisory support to the Greater Tygerberg Partnership (GTP), HBP, SiliconCape and others, including facilitating partnering assessments, partnering training and subject-specific events. Work with the GTP has focused on developing business plans for the GTP, identifying partners and facilitating introductions as well as participating in GTP events by providing input & technical expertise.

- **Communication of the Cape Town Functional Business Brand**

WCEDP has been assisting in communicating the functional brand through convening 4 Regional Communicators' Forum (RCF) meetings, 2 large Business Leadership Platform (BLP) meetings and one smaller engagement between leading businesses associations. The 3rd BLP has been scheduled for March 2016.

- **Economic Intelligence**

WCEDP has been supporting the CCT Economic Intelligence initiatives through engagements with stakeholders, providing content for 3 of 4 EPIC chapters, drafting the metro-comp and draft Indices strategy, ongoing participation in the Economies of Regions Learning Network (ERLN) and co-hosting the next ERLN in Cape Town in combination with a hackathon for top data analysts, software developers and designers to respond to economic/metro/city data "challenges/briefs"



Further details of the WCEDP activities in the 2014/15 FY in terms of deliverables are reflected in Annexure B.

As identified in the City of Cape Town's IDP, and enabled by a resolution of Council (C50/12/13 - 4<sup>th</sup> December 2013) the City will provide financial support to the WCEDP. Furthermore, the City will ensure that its priorities are reflected in WCEDP programmes and activities, with the appropriate accountability measures put in place. The schedule in Annexure A outlines the WCEDPs deliverables for the City of Cape Town for the 2015/2016 financial year.

### **Institutional Arrangements**

To fulfil the requirements of the allocation, the following regulatory mechanisms are/will be in place:

- A Memorandum of Agreement between the City and the WCEDP signed as per council resolution C50/12/13 4<sup>th</sup> December 2013
- The City's Trade & Investment Department will ensure that the terms and conditions of the MOA are adhered to
- The funding will be utilized as agreed to in the MOA
- The City's Trade & Investment Department will ensure compliance in terms of control, monitoring and reporting mechanisms, thus ensuring that the agreed milestones are met.

#### **8.1. Constitutional and Policy Implications**

- Grant in aid Policy 2015/2016
- SARS Interpretation Note: No. 39 (Issue 2) dated 2 February 2013
- Section 67 of the Municipal Finance Management Act (Act 56 of 2003)

#### **8.2. Sustainability Implications**

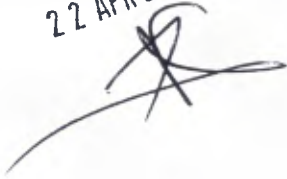
Does the activity in this report have any sustainability implications for the City?

No  Yes

#### **8.3. Financial Implications**

Cost Centre		19060011/457200
Cost Centre Description		Economic Development Facilitation
Budget Provision 2015/2016		R9 498 392.26
Spent to date/Committed		R7 998 000.00
Balance Available		R1 500 392.26
Funds Required (this report)		R1 500 000.00

Fairuz Singh  
22 APR 2016



#### 8.4. Legal Implications

A three year Memorandum of Agreement has been signed between the City of Cape Town and the WCEDP as contemplated in S67 of the Municipal Finance Management Act (Act 56 of 2003). This Memorandum of Agreement covers the 2013/2014, 2014/2015 and 2015/2016 financial years. This agreement was developed by the City of Cape Town's Legal Services Department.

#### 8.5. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

Yes

#### 8.6. Risk Implications

None

#### 8.7. Other Services Consulted



None



**ANNEXURES**

- Annexure A: WCEDP Deliverables 2015/2016
- Annexure B: WCEDP Progress Report 2014/2015
- Annexure C: Council Resolution (SPC 03/05/13)
- Annexure D: Copy of original 3 year MOA
- Annexure E: Grants and Subsidies for 2015/16

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Faith Kolala 
<b>CONTACT NUMBERS</b>	0214174020
<b>E-MAIL ADDRESS</b>	faith.kolala@capetown.gov.za
<b>DIRECTORATE</b>	Office of the City Manager
<b>FILE REF NO</b>	
<b>SIGNATURE : DIRECTOR</b>	



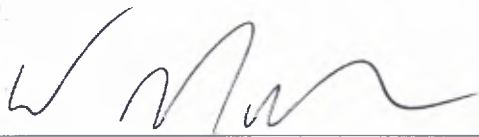
EXECUTIVE DIRECTOR

COMMENT:

NAME

DATE

15.04.2016



Acting

CHIEF FINANCIAL OFFICER (EXECUTIVE DIRECTOR: FINANCE)

COMMENT:

NAME

Wayne Muller

DATE

20.04.2016

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*JMH*

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

LEGAL COMPLIANCE

NON-COMPLIANT

NAME Jean-Mari Holt

COMMENT:

TEL 021 400 2753

JMH.

DATE 22/04/2016

Certified as legally compliant:  
Based on the contents of the report.

*C. Sheehy* ACTING

EXECUTIVE DIRECTOR: CORPORATE SERVICES AND COMPLIANCE (ED: CORC)

SUPPORTED FOR ONWARD SUBMISSION TO MAYOR  / MAYCO  / COUNCIL

NOT SUPPORTED

DATE 23/04/2016

REFERRED BACK

COMMENT:

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EXECUTIVE MAYOR

Pde Lille.

SUPPORTED FOR ONWARD SUBMISSION TO MAYCO  COUNCIL

PC RECOMMENDATION

RECOMMENDATION AS CONTAINED IN ORIGINAL REPORT

ALTERNATIVE RECOMMENDATION TO BE REFLECTED BELOW

APPROVED I.T.O. DELEGATED AUTHORITY

NOTED

REFUSED

REFERRED BACK

DATE

4 May 2016

COMMENT:

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