



Swartland LED strategy - Executive Summary

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LOCAL ECONOMIC DEVELOPMENT (LED) [Replace previous section]

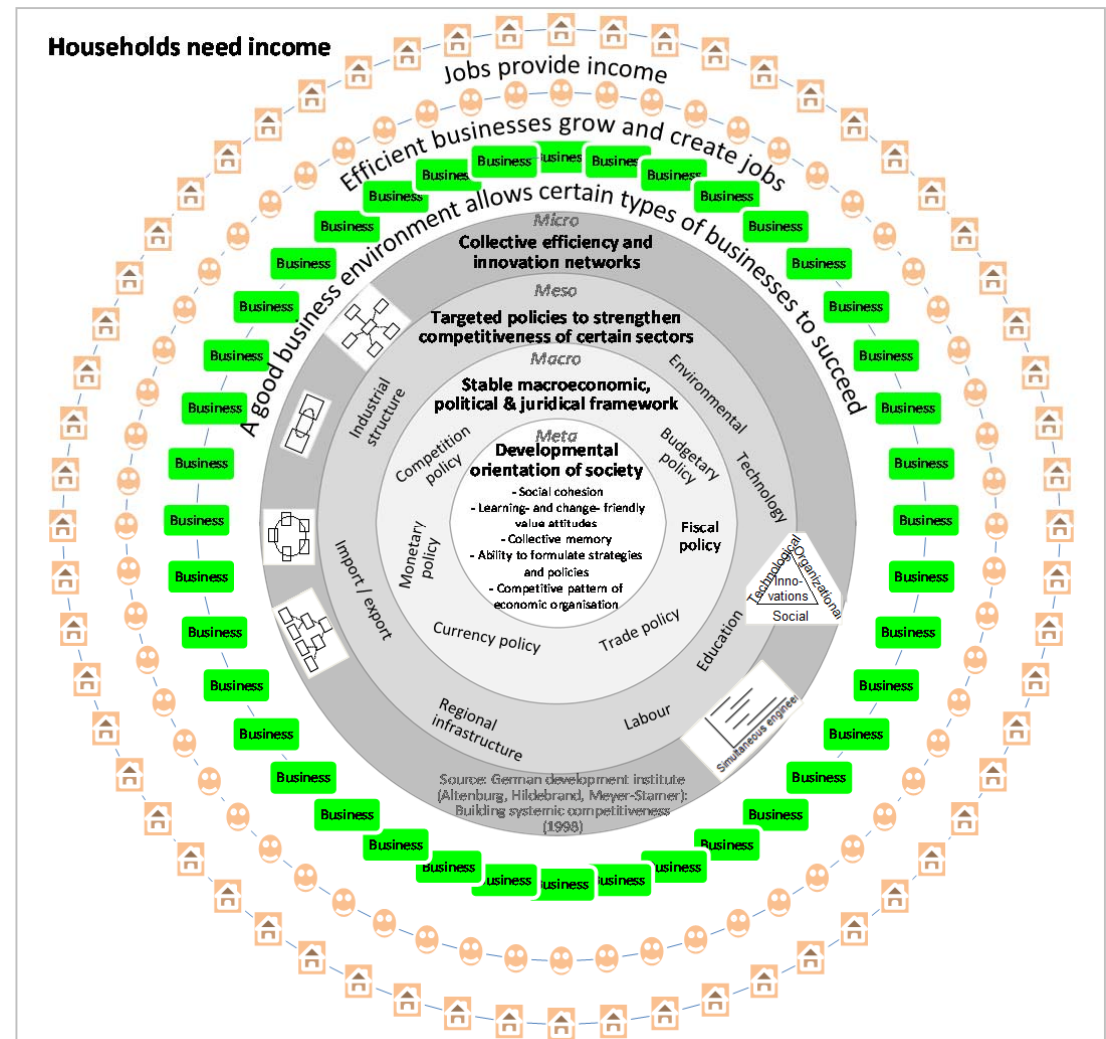
Why LED

LED is a specialised methodological response to the need to improve performance of the local economy to benefit local citizens. LED is defined as an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society work jointly to create a unique advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms/SMEs.

Sustainable jobs are created mainly in the private sector, which creates wealth from markets. To grow the economy, businesses need to increase their revenues by competing successfully in markets which are increasingly contested by global competitors. To grow the local economy, competitive local firms need to earn more revenue from external markets and spend much of this locally for more money to flow into the local economy. In addition, improved competitiveness of local firms in local markets ensures that less money flows out of the economy. Distribution within the economy takes place through wages and purchases from other businesses.

Firm performance/competitiveness does not just depend on the factors inside the firm. Externalities such as market demand, market competition, supply conditions and local business environmental conditions are also major determinants. This "eco-system" (see figure to the right) within which the firms find themselves, to a large extent determines how is easy or how difficult it is for an entrepreneur/ firm to succeed. These factors also determine whether a local economy is attractive for investors.

Concept of an "economic eco-system", which economic development strives to improve



The role of the municipality

In support of the National Development Plan and the five strategic goals (“PSGs”) of the Western Cape Government, the Swartland municipality aims to stimulate sustained growth in the Swartland jurisdiction by promoting and implementing a set of mutually supportive economic -, spatial - and social development initiatives. In determining which initiatives will be most beneficial, neither the public sector nor the private sector on their own has all the insights and answers. However by combining insights, power of influence and resources, much more is possible. The Swartland LED Strategy approved by the Mayoral Committee in February 2016 therefore aims to establish improved economic development cooperation amongst stakeholders – to systematically identify and utilise more beneficial economic opportunities.

Where are we now

The LED strategy review process was the culmination of information gathered from many sources including: Mero report, IDP process, 2014 PACA process and 20 interviews with key business leaders in 2015. The municipal leadership has maintained ongoing dialogue with organised business.

More in depth dialogue with the private sector and municipal leaders has allowed this version of the LED strategy to sharpen its focus on developing and promoting competitive advantage. More attention is placed on what must be done and by whom - to make the strategy easier to execute with success.

The main findings are presented as the economy’s relative strengths and weaknesses which determine the viable growth options. The stronger the competitive advantages (strengths), the easier it is to attract businesses. The competitive disadvantages (weaknesses) combined with threats, discourage investors.

<i>Main Competitive Advantages</i>	<i>Main Competitive Disadvantages (incl. constraints to growth)</i>	<i>Threats identified</i>
<ol style="list-style-type: none"> 1. Strategic location for business 2. Lower costs 3. Lower risk 4. A municipality that values business 5. Growing investor confidence 6. A good place to live 	<ol style="list-style-type: none"> 1. No industrial land was available (up to August 2015). 2. Limited access to business information. 3. Agriculture employment is declining 4. Appearance of towns 5. Technical skills difficult to attract 6. Shortage of certain types of housing and rentals 7. Red-tape and regulatory uncertainty 8. Safety & security in pockets 9. Transport 10. Limited investment promotion 11. Limitations in schools 12. Facilitation of economic development 	<ol style="list-style-type: none"> 1. Competitors to Swartland for investment e.g. Atlantis 2. Inadequate marketing 3. New malls will place pressure on existing retail in town/s (Opportunity and a threat) 4. Development that makes towns less attractive

Options for growth

The primary factor driving growth in the Swartland is the Cape Town metro growth trend. Both businesses and citizens will increasingly view Swartland as a good place to locate. Similar to growth patterns of towns on the outskirts of other cities world-wide. The benefits include a lifestyle alternative to city life, lower cost structure and good municipal services whilst still having good access to markets in the metro.

A secondary factor driving growth is the increasing trade link via the N7 that links Cape Town to Namibia and Angola. An increasing number of trucks delivering to Cape Town need to time their arrival in Cape Town. Delivery points in Cape Town vary, so trucks choose from eight entry points from Malmesbury onwards. A truck stop is planned near Moorreesburg.

Since August 2015 the main constraint to growth has been removed. Industrial property has only recently become available again. The fact that the N7 is being upgraded to reduce travel time makes it even more attractive. Some investors are already investing. Others are considering investing here and are likely to become more confident when they fully understand the competitive advantages offered by Swartland.

Due to the nature of the factors driving the growth opportunity (proximity to Cape Town and road linkages), most of the growth is expected near Malmesbury. Investment is expected mainly from sectors such as agro-processing, transport and logistics, retirement villages, increased retail and services. This will result in a boost in construction and property markets.

Strategy for economic growth and inclusion

The strategic rationale follows simple economic development good practice.

1. Strengthen the competitive advantages of Swartland. Make it increasingly attractive as a good place for business to operate from, for their employees to work, live and play. Build on the current advantages including: Easy access to metro markets, good work ethic, lower costs structures, country lifestyle, good government, quicker decisions and social cohesion.

2. Attract business to locate and grow here. Make it quick and easy to invest and expand. The consequence will be growth in employment and more money circulating in the local economy. This money will benefit local businesses in the retail and services sectors.

3. Make local markets work better to increase opportunity for small business. Improve small business access to new market opportunities, access to business development support services and to finance. The municipality cannot provide these services but can assist to facilitate easier access to these services. Market access can be improved by systematic linking of local suppliers to the large public - and private sector buyers. Linking these local firms also to networks of expertise will further enhance their ability to meet the requirements of the large buyers. Businesses linked to lucrative value chains grow faster.

4. Attract more rate paying citizens to live here. Target families who are cost aware and who seek a safer, country lifestyle with good schools. Also tap into the ongoing exodus of retirees from all over the country - escaping specifically from government failure, increasing crime levels and rising cost of living. Besides contributing to municipal financial sustainability, their investment spent in the local economy will provide further increase in money circulating in the local economy.

5. Make it easier for local citizens to access economic opportunity. Support citizens to access new job opportunities and skills development that will qualify them for new job opportunities.

Strategy Priorities / Initiatives

Much of the right building blocks for the strategy are already in place. The text in red indicates areas where improvement emphasis is required. Implementation of the strategy therefore requires continuing some good work already in progress, and introducing additional initiatives to fill the gaps.

A few new economic development initiatives were selected during the LED strategy review with the aim to achieve maximum impact, quickly and efficiently. Keep in mind some economic development initiatives may take many years to realise impact that is visible.

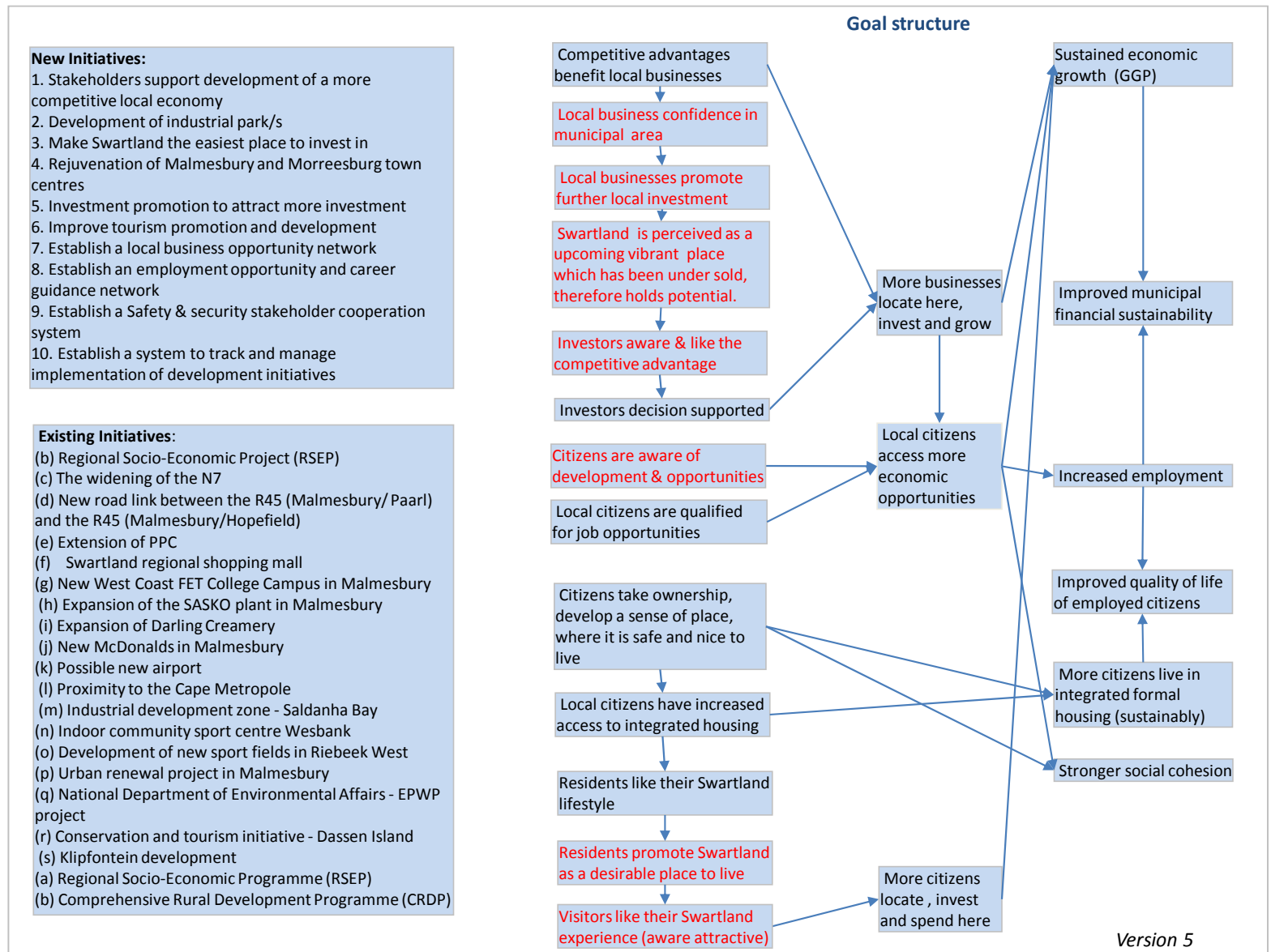
New Initiatives:

1. Stakeholders support development of a more competitive local economy
2. Development of industrial park/s
3. Make Swartland the easiest place to invest in
4. Rejuvenation of Malmesbury and Morreesburg town centres
5. Investment promotion to attract more investment
6. Improve tourism promotion and development
7. Establish a local business opportunity network
8. Establish an employment opportunity and career guidance network
9. Establish a Safety & security stakeholder cooperation system
10. Establish a system to track and manage implementation of development initiatives

Existing Initiatives:

- (b) Regional Socio-Economic Project (RSEP)
- (c) The widening of the N7
- (d) New road link between the R45 (Malmesbury/Paarl) and the R45 (Malmesbury/Hopefield)
- (e) Extension of PPC
- (f) Swartland regional shopping mall
- (g) New West Coast FET College Campus in Malmesbury
- (h) Expansion of the SASKO plant in Malmesbury
- (i) Expansion of Darling Creamery
- (j) New McDonalds in Malmesbury
- (k) Possible new airport
- (l) Proximity to the Cape Metropole
- (m) Industrial development zone - Saldanha Bay
- (n) Indoor community sport centre Wesbank
- (o) Development of new sport fields in Riebeeck West
- (p) Urban renewal project in Malmesbury
- (q) National Department of Environmental Affairs - EPWP project
- (r) Conservation and tourism initiative - Dassen Island
- (s) Klipfontein development
- (a) Regional Socio-Economic Programme (RSEP)
- (b) Comprehensive Rural Development Programme (CRDP)

Contribution of LED initiatives to strategic goals



Institutional capacity for economic development

The economy is complex and the right people need to discuss the right topics, without wasting time. Various role players have different interests and therefore different dialogue requirements. When dialogue takes place it needs therefore to be focused and relevant to participant interests. Focussed group dialogues make more sense than large meetings if they are integrated cohesively. To assist in achieving both focus and integration a framework is provided to conceptualise such dialogue as various groups.

Capacity and cooperation required to execute Local Economic Development

The right people need to discuss the right topics, without wasting time

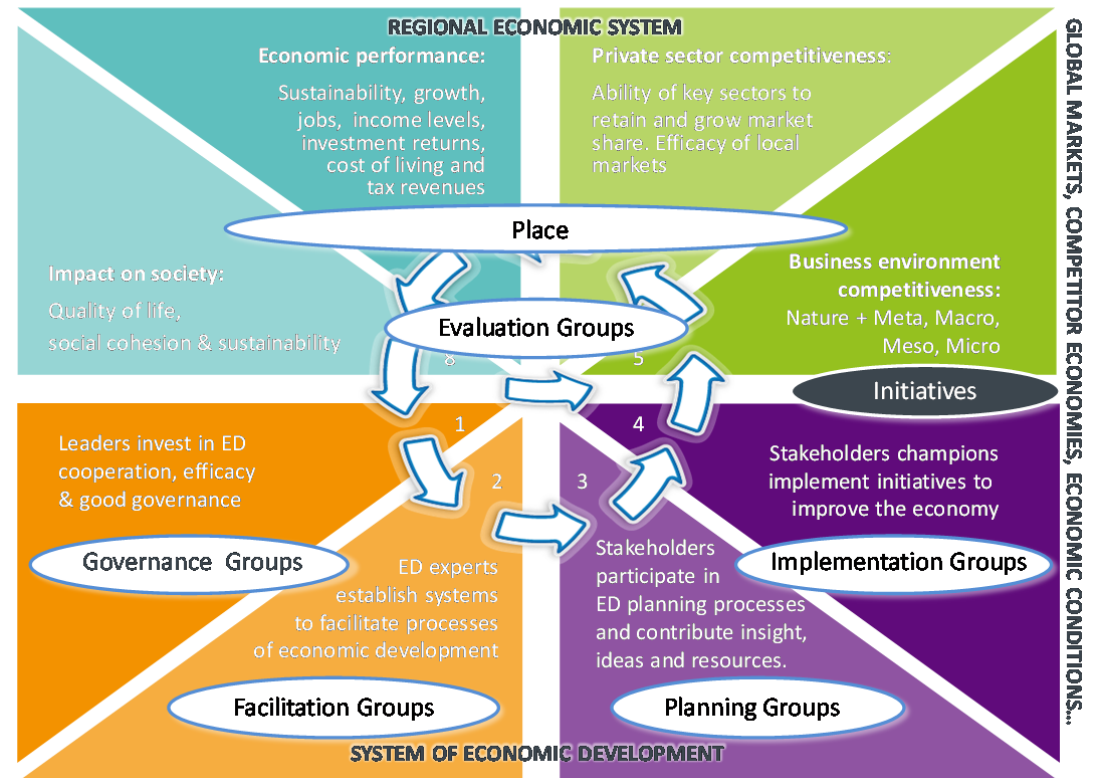
1 Governance groups oversee on behalf of stakeholders the quality and the integrity of the economic development effort and associated investment.

2 Facilitation groups establish strong stakeholder networks which cooperate to continuously improve the most important parts of the place economy.

3 Planning groups mobilise stakeholder insight, ideas and resources to identify the most promising and pragmatic improvement initiatives.

4 Implementation groups focus on implementation of specific economic development initiatives to unlock new opportunities.

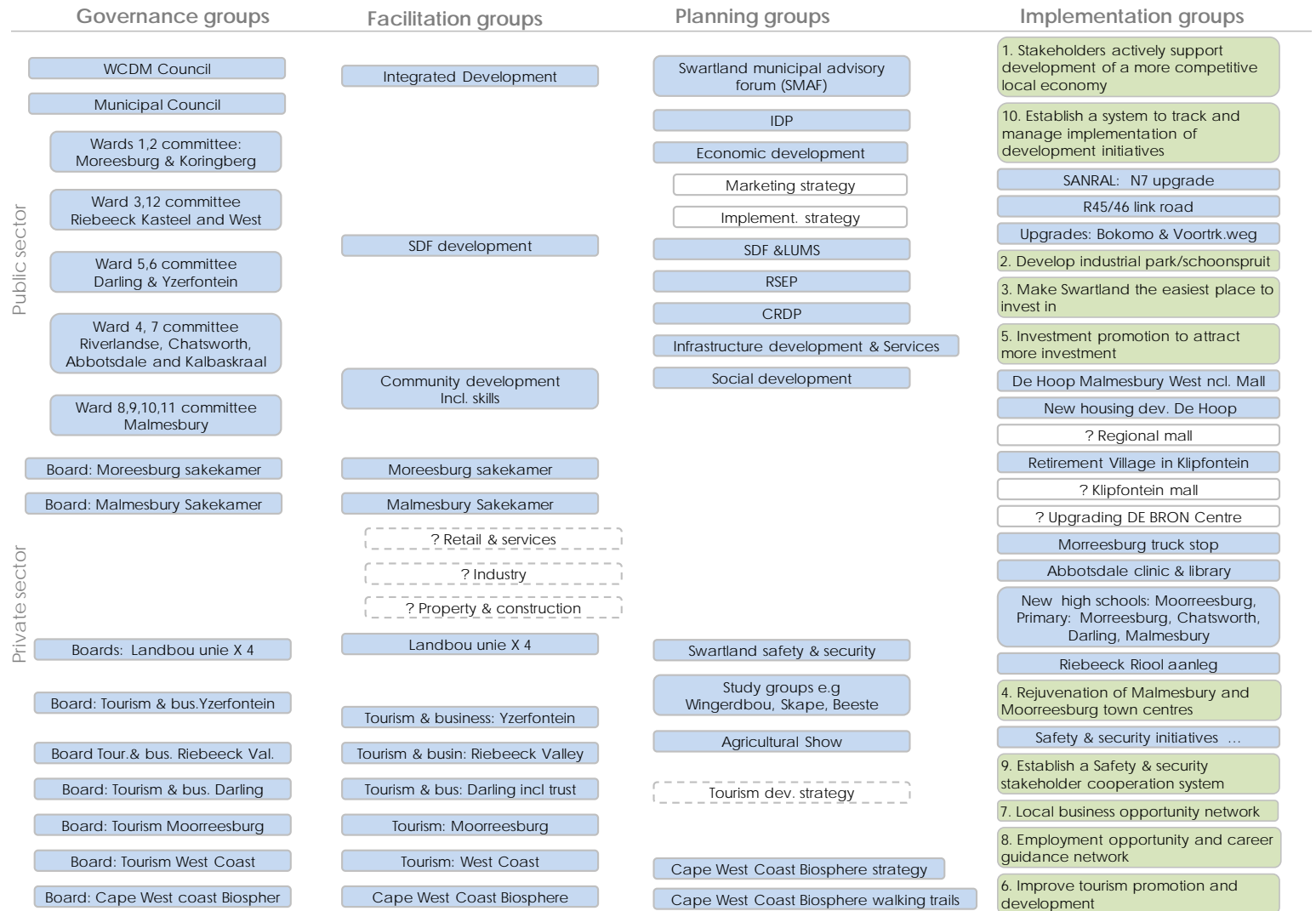
5 Evaluation groups determine the actual results achieved to support learning and improvement.



The Swartland LED institutional capacity or system mapped to these group types.

Swartland LED system: Known ED institution infrastructure / Capacity to execute Existing New Possible

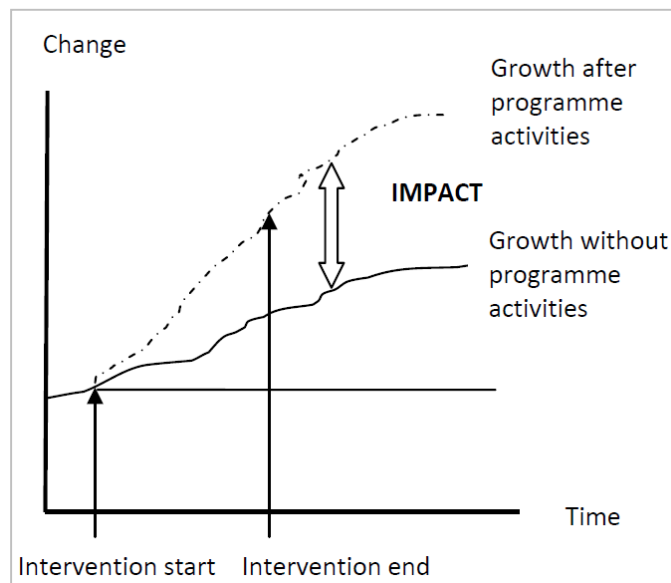
The current economic development relevant institutional capacity is mapped according to the group types in blue on the diagram on the right. Achieving effective economic development cooperation, integration with such a complex set of organisations is surely a challenge. There may be more efficient ways of organising capacity, but this may be too disruptive from the outset. By providing smart systems and tools for better development cooperation, these groups are likely to firstly perform better and thereafter re-organise themselves more efficiently – once the benefits become apparent.



Monitoring and evaluating

Monitoring and evaluation of LED progress will be enhanced to speed up learning and skills in LED. A new online monitoring system will be introduced for all local development stakeholders. Whereas the main objective is to learn, it is important to also utilise the opportunity to recognise the champions of success stories.

The purpose of evaluation is to measure progress, reflect on what worked as planned and what did not. And then to learn from the new insights gained. Working smarter increases the scale of future results. Without evaluation, mistakes are repeated. Evaluation will be integrated with the monitoring system and will focus on the measurement of actual output, outcomes and impact resulting from economic development Initiatives. To make the evaluation process easier, the LED performance framework provides a default set of performance indicators.



Evaluate impact as the variance from trend

Source: The DCED standard for measuring results in private sector development