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| <p>CABINET MEETING – 11 JANUARY 2012</p> <p>EXECUTIVE SUMMARY SHEET – PART I</p> | |
| <p>Title of Report: Mbombela Local Municipality – Economic Summit</p> | |
| <p>Author(s): Chief Executive</p> | |
| <p>Purpose of Report: This report seeks authorisation for participation in Mbombela Local Municipality’s Economic Summit</p> | |
| <p>Description of Decision: Cabinet is requested to:</p> <ul style="list-style-type: none"> (i) Authorise participation in Mbombela Local Municipality’s Economic Summit from 26 – 27 January 2012 and the consequential travel of the Deputy Leader to Mbombela, South Africa (ii) Note the progress made under the Commonwealth Local Government Forum Good Practice Scheme project | |
| <p>Is the decision consistent with the Budget/Policy Framework? *Yes</p> | |
| <p>If not, Council approval is required to change the Budget/Policy Framework</p> | |
| <p>Suggested reason(s) for Decision: The City Council has a long track record in successfully developing Sunderland’s economy and has shared significant experience and expertise with Mbombela Local Municipality during the lifetime of the project, which has received positive feedback from the Commonwealth Local Government Forum. It is important that the City Council supports Mbombela Local Municipality at this key stage in implementing policies and practices developed in partnership during the project lifetime. This will play an important role in helping the municipality to engage its business community at this critical time and secure its support as they seek to facilitate the long-term economic development of the area.</p> | |
| <p>Alternative options to be considered and recommended to be rejected: A decision could be taken not to take part in the Economic Summit. This would send a negative message about the City’s participation in the Commonwealth Local Government Forum Good Practice Scheme, both to Mbombela Local Municipality as well as to the Commonwealth Local Government Forum.</p> | |
| <p>Is this a “Key Decision” as defined in the Constitution? No</p> | <p>Relevant Scrutiny Committee: Management</p> |
| <p>Is it included in the Forward Plan? No</p> | |

MBOMBELA LOCAL MUNICIPALITY – ECONOMIC SUMMIT

REPORT OF THE CHIEF EXECUTIVE

1.0 Purpose of the Report

1.1 This report seeks authorisation for participation in Mbombela Local Municipality's Economic Summit

2.0 Description of Decision

2.1 Cabinet is requested to:

- i) Authorise participation in Mbombela Local Municipality's Economic Summit from 26 – 27 January 2012 and the consequential travel of the Deputy Leader to Mbombela, South Africa
- ii) Note the progress made under the Commonwealth Local Government Forum Good Practice Scheme project

3.0 Background

- 3.1 Sunderland City Council began a Commonwealth Local Government Forum Good Practice Scheme project, 'Building Bridges for Economic Development – Businesses and Communities', with Mbombela Local Municipality (MLM) in South Africa in October 2009 which set out to share experience and expertise in economic development and build capacity within the South African local authority. Commonwealth Local Government Forum's interest in working with Sunderland on this project reflected their view of the strength of the City's expertise and experience in this field.
- 3.2 The project focussed activity on four objectives relating to: establishing long-term goals for the development of the authority's economy; promoting Mbombela as a location for inward investment; establishing and maintaining strong working relationships with the business sector individually and collectively; and supporting unemployed people within MLM to access employment opportunities.
- 3.3 The project concluded in September 2011 and progress in relation to each of the four objectives has been reported to the Commonwealth Local Government Forum, which seeks to disseminate learning more widely within South Africa and other participating countries to maximise its impact.
- 3.4 The Economic Summit is a key element in Mbombela Local Municipality's implementation of its new approach to economic development, drawing on experience and learning from within the project.

4.0 Current Position

- 4.1 The purpose of Mbombela Local Municipality's Economic Summit is to strengthen partnerships with relevant stakeholders and promote ongoing dialogue between the public and private sector, building networks within key industries. It aims to stimulate interest within the business community in Mbombela in engaging in local economic development to facilitate creation of sustainable job opportunities and help eradicate poverty.
- 4.2 The Economic Summit is expected to include key note speakers from within South Africa as well as from Israel, Iran, Spain, Turkey, the UK and United States of America who will share experience and expertise in economic development and tourism promotion.
- 4.3 Learning from within Mbombela's CLGF project with Sunderland City Council will be showcased within the Economic Summit. A number of the more significant developments within the project are summarised below.
- 4.4 MLM has developed its approach to inward investment, preparing an incentives policy which has been approved for implementation, as well as materials to share with potential investors including a business portfolio. Drawing on its newly developed expertise, the municipality has built a partnership with a private sector developer and created a total of 145 jobs within the District.
- 4.5 MLM has also made significant developments which will increase its capacity to continue to create employment opportunities over the months and years to come. These include: setting out a long-term approach to economic development which moves away from a focus on micro economic development projects; establishing Local Economic Development Forums connecting the Executive Mayor with key individual companies and sectors within the business community to support economic growth; creating the area's first Arts and Crafts brochure to support beaded crafts businesses with marketing and business development; and repositioning the Local Economic Development Unit within the municipality enabling it to work more effectively with other departments.
- 4.6 Significant areas of learning drawn by colleagues from Mbombela from Sunderland's experience include the importance of public-private partnerships, for example, in developing business parks and attracting investors, as well as of a city-wide partnership approach to economic development. The potential benefits which can be gained from adopting a cluster approach in key sectors such as automotive, financial and customer services, software, and the creative industries have also been highlighted by Mbombela as a factor to incorporate within their approach.
- 4.7 Information on co-operation with Mbombela Local Municipality has been included in the annual report on the International Strategy each year since the project began in 2009 and further information will be included in the 2011 report.

5.0 Reasons for the Decision

- 5.1 The City Council has a long track record in successfully developing Sunderland's economy and has shared significant experience and expertise with Mbombela Local Municipality during the lifetime of the project, which has received positive feedback from the Commonwealth Local Government Forum.
- 5.2 It is important that the City Council supports Mbombela Local Municipality at this key stage in implementing policies and practices developed in partnership during the project lifetime. This will play an important role in helping the municipality to engage its business community at this critical time and secure its support as they seek to facilitate the long-term economic development of the area.
- 5.3 The Conference programme will also provide an opportunity to share experience with delegates and other international speakers on approaches to economic development and tourism promotion.

6.0 Alternative Options

- 6.1 A decision could be taken not to take part in the Economic Summit. This would send a negative message about the City's participation in the Commonwealth Local Government Forum Good Practice Scheme, both to Mbombela Local Municipality as well as to the Commonwealth Local Government Forum.

7.0 Relevant Consultations

- 7.1 Financial Implications

Costs for participation will be met from existing cash-limited budgets.

8.0 Background Papers

Final report of Commonwealth Local Government Forum Good Practice Scheme project

