

Our Ref: TM/STR1

Your Ref:

Date: 18 October 2018

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**The Speaker**  
**COUNCIL ITEM**

**MANGAUNG METROPOLITAN COUNCIL PARTICIPATION IN THE SALGA SMALL TOWN REGENERATION PROGRAMME – THE CASE OF WEPENAR, VAN STADENSUS AND DEWETSDORP**

**1. PURPOSE**

To inform and request Council to participate in the implementation of the Small Towns Regeneration (STR) Programme managed by the South African Local Government Association (SALGA). In addition, Council is also requested to establish the STR Stakeholder Committee in the form of a Steering Committee as well as the approval of the Terms of Reference for the Steering Committee focusing on the selected towns (i.e. Wepener, Van Standensrus and Dewetsdorp) for the application of the STR programme.

**2. INTRODUCTION**

SALGA drives the Small Towns Regeneration Programme as one of its strategic objectives to address the decline in economic growth, job creation and increase population growth in small towns across South Africa. This is facilitated through a multi-faceted approach to address spatial land use, tourism, infrastructure, socio-economic planning and development.

**3. MOTIVATION**

The Mangaung Metropolitan Municipality has been invited by SALGA to participate in the programme (Annexure A). The point of departure in the programme is for Mangaung Metro to provide a Council resolution permitting the participation in the SALGA STR programme, the establishment of the STR Stakeholder Committee in the form of a Steering Committee, the drafting and finalization of the Terms of Reference for the Steering Committee to oversee the programme

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and the nomination of Wepener, Van Standensrus and Dewetsdorp as an adopted towns. Council also need to consider the appointment of Political Champion who will also be the Chair of the Steering Committee and in this case MMC for Planning and Economic Development of Mangaung, Clr Vuyelwa Jonas-Malephane.

Annexure B depicts the draft Terms of Reference for the operationalization of the Steering Committee in the programme (Annexure B). The composition of the Steering Committee under the political championship of the MMC for Planning and Economic Development of Mangaung, Clr Vuyelwa Jonas-Malephane will comprise Mangaung Metro Heads of Departments, GM: IDP, business community, community organisations, SALGA, SEDA and others as Council may deem fit.

Lastly, Mangaung Metro must draft the Business Plan that shall guide the projects to be implemented in the adopted towns of Wepener, Van Standensrus and Dewetsdorp to bring about spatial and economic transformation. This plan will be submitted to and approved by Council and will be generically be based on engineering infrastructure improvements, socio-economic investment, tourism development, small business infrastructure, livestock quality improvement, and business precinct renewal.

The efforts to include the small towns such as Wepener in the broader development programmes of MMM are already outlined in the IDP 2018/2019 and the Strategic Development Review of MMM. These efforts seek to improve linkages and services to the agricultural hinterlands for the small towns.

In terms of feedback and reporting, Council shall be informed of progress made in the programme through quarterly, midyear and annual reports.

#### **4. PERSONNEL IMPLICATIONS**

The Directorate Economic and Rural Development (ERD) will represent the Municipality in all the proceedings. Sister departments will be duly informed as and when their participation is needed.

#### **5. FINANCIAL IMPLICATIONS**

Any further attached to actions shall be reflected in future reports to Council.

#### **6. RECOMMENDATION**

It is therefore recommended that Council

- 6.1 Take note of Small Towns Regeneration programme managed by the South African Local Government Association (SALGA);
- 6.2 Approves the participation of the Mangaung Metropolitan Municipality in the SALGA STR programme;



- 6.3 Approves the establishment of the STR Stakeholder Committee in the form of a Steering Committee to be chaired by MMC for Planning and Economic Development of Mangaung, Cllr Vuyelwa Jonas-Malephane and to be constituted by one political representative from Economic Development Section 80 Committee Members, Ward Councillor, Heads of Departments, GM: IDP, Manager: Investment Promotion and Marketing, business community, community organisations, SALGA, SEDA and others as Council may deem fit.
- 6.4 Appoints MMC for Planning and Economic Development of Mangaung, Cllr Vuyelwa Jonas-Malephane as the political champion and chair to the Steering Committee.
- 6.5 Approves the adoption of Wepener, Van Standensrus and Dewetsdorp as the typical small towns suitable for the programme.
- 6.6 Approves the attached Terms of Reference for the Steering Committee;
- 6.7 Permit the City Manager to develop and submit for Council approval a comprehensive Business Plan that guide spatial and socio-economic transformation of the town of Wepener based on engineering infrastructure improvements, socio-economic investment, tourism development, small business infrastructure, livestock quality improvement, and business precinct renewal.
- 6.8 Be informed of the quarterly, midyear and annual progress as regard the implementation of the Business Plan.



HOD: ERD

T. Maine

RECOMMENDED / NOT RECOMMENDED



City Manager  
T. Mea

APPROVED / NOT APPROVED



Hon. Executive Mayor  
Cllr S.M. Mlamleli

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Date: 14 May 2018



**To: Mangaung MM**

**Attention: Executive Mayor  
Speaker  
Chief Whip**

**CC: Municipal Manager  
LED Manager  
IDP Manager**

**RE: ACKNOWLEDGEMENT OF THE PARTICIPATION OF MANGAUNG  
NETROPOLITAN MUNICIPALITY IN THE SMALL TOWNS REGENERATION  
PROGRAMME (STRP)**

Dear Sir/Madam

As per invitation letter dated 15 January 2018 and the meeting that took place on the 26<sup>th</sup> of January 2018, the Working Group on Economic Empowerment and Public Employment and Rural Development and Public Works acknowledge and appreciate Mangaung MM participation in the Small Towns Regeneration Programme (STRP).

To fastrack the implementation of the STR Programme in your municipality, It would be of critical importance to establish the STR Stakeholders Committee in the form of a Steering Committee at municipal level, drafting and finalising of the Terms of References for Steering Committee and drafting of Business Plans for Mangaung Metropolitan Municipality focusing on your selected town for STR.

**Expected/anticipated participants/stakeholders should include the Political Champion appointed by the municipality, LED and IDP Units, Sector Departments, Business Community, Community Organisations, SALGA, SEDA and others.**

It is against this background that the Working Group: Economic Empowerment and Public Employment and Rural Development and Public Works appreciate your kind

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Date: 14 May 2018



participation, in case you need support in the establishment of Steering Committee kindly liaise with Mr. Masibonge Silevu at [msilevu@salga.org.za](mailto:msilevu@salga.org.za) or 0724001606 to schedule engagement meetings on the matter.

Your participation is highly appreciated.

Yours sincerely,

**CLLR. N. MASHIYA**  
**WG CHAIRPERSON: ECONOMIC EMPOWERMENT AND PUBLIC EMPLOYMENT**  
**AND RURAL DEVELOPMENT AND PUBLIC**



**DRAFT TERMS OF REFERENCE FOR THE STR COMMITTEE**

Objectives and functions of the Committee for STR:

1. Foster economic development of the area and tap on endogenous potential of the identified area.
2. Capitalise on endogenous resources and concentrate on support for those groups with the most difficult access to regulate economic and financial circuits.
3. Foster integration and coordination of local institutions and associations around a shared vision of local economic development.
4. Plan and bring into being a system of services to public and private organisations that can support local economic development.
5. Pay special attention to identifying the most vulnerable social group and identifying poverty traps.

As local organised structure, the STR Committee must involve:

1. Local role players and stakeholders from both the public and private sector; consortium of public and private sector groups.
2. Non-profit association.
3. Bundles services together: financial services, technical assistance, training of potential entrepreneurs, territorial service.
4. Institutional entity which plays a role in the local and national political picture.
5. Contractual entity, which promotes independent access to funding, to subcontracts and services, to national and international programs.
6. Administrative entity that implement projects and provide services and credit.

The Committee be supported by following **characteristics**:

- **It is a territorial structure.**
  - Tool for development policy in decentralized states.
  - Provides practical support for national policies concerning the decentralization of economic development decision-making and services.
- **Forum for social dialogue.**
  - Forum where local role players and stakeholders can promote and determine their own processes of economic development.
  - Space for decision-making.

- **Coordinates local economic development planning and implementation.**
  - Assembles all the players to design a strategy for local economic development,
  - Indicates the most promising sectors, priority interventions and their configurations.
  - Provides technical assistance to the local administrations responsible for planning.
  - Assists the entrepreneur to find a good idea and develop his or her business plan, ascertaining its feasibility.
  - Assists business both during start-up and in their initial period of activity.
  
- **Weapon against poverty.**
  - Credit accessible to all and act as guarantors with the banks, providing collateral for the poor.
  - Associative structure enables all local organisations to participate and play a role in the decision-making process.
  - Vehicle for small producers to market products outside the local area.
  
- **Provides Credit.**
  - Helps access and assistance to finance business plans.
  - Credit disbursed on the basis of feasibility of project.
  
- **Sustains enterprise development and sustainability.**
  - Helps the beneficiary to draw up business plans and provides inexpensive credit.
  - Helps in formulating reliable business plans, credit disbursement and post-financing assistance.