

**Terms of Reference for Consultant Firm  
for  
Hout Bay Partnership for the Establishment of an Enterprise Support Hub in Hout Bay.**

**March, 2016**

**Closing date for proposals: Thursday 14 April 2016**  
**Proposals should be sent to [info@houtbaypartnership.co.za](mailto:info@houtbaypartnership.co.za)**

## **Introduction**

### **The Hout Bay Partnership**

Hout Bay is a microcosm of the challenges and opportunities facing Cape Town and South Africa as a whole. It is a place of cultural diversity and economic inequalities and disparities in living conditions across apartheid-induced spatial and racial lines, all within a geographically distinct and confined area. In this context, the Hout Bay Partnership was established in 2014 with the purpose of promoting integrated social and economic development to improve the livelihoods and quality of life of Hout Bay residents. This will be achieved through building partnerships between residents, businesses and government. The Partnership has been established as a Not-for-profit company and is governed by an independent board of directors.

### **Hout Bay context**

Hout Bay represents a microcosm of the development challenges facing Cape Town and South Africa including unemployment, social division, and distrust. These challenges manifest in complex problems such as the housing shortage and divisive community leadership. Amongst these challenges, Hout Bay retains a sense of community, is home to people of talents and resources, and has a diverse set of players with the goodwill and drive to achieve positive outcomes.

Although the socio and economic inequalities predominantly impact the communities of Hangberg and ImizamoYethu, these are not isolated communities; they are situated within the broader Hout Bay valley that has both serious challenges and significant opportunities. Hangberg and IY's development needs to be integrated with developments in the rest of the valley for very pragmatic reasons. Many people are disaffected by current political and social dynamics. There exists a strong desire for practical solutions that work, and that are not held captive to politics.

There exists a reservoir of goodwill within Hout Bay in and across the communities and a set of common interests. Previous surveys and workshops have shown that the vast majority of people seek a peaceful crime-free existence, with good educational opportunities for their children, an opportunity to earn a living, and a safe and secure place to stay.

There also exists a reservoir of talent and resources within Hout Bay that can be harnessed to contribute to development outcomes that are in everybody's interest. Combined with a vibrant and diverse set of NPOs and community-minded businesses, a responsive government, and an engaged citizenry, it is possible to change the development trajectory of a small community such as Hout Bay with strategic and well-coordinated interventions; that is, to create a success story. Relatively small steps taken consistently over time towards an inspiring vision can lead to good outcomes.

### **Long term outcomes of fulfilling the Hout Bay Partnership's Vision and Purpose**

The three focus areas of the HBP are economic development, social development (including education and security), and the built and natural environments. In order to enable sustainable impact these spheres need to be cohesively examined, for one sector cannot prosper without the others.

The long-term outcomes to be supported and achieved through the work of HBP will include:

## Economic Development

- Rapidly creating new income-earning opportunities through a community works programme and other activities.
- Unlocking the economic potential of the Hout Bay Harbour for both social and economic benefits should stimulate job creation, new business opportunities and public amenities.
- Incubating the creation of new businesses and growing businesses to create jobs and increase wealth.
- Creating a more conducive context for investments and businesses, including large private companies, foreign investors, informal traders, micro-enterprises, and local businesses.

## Social Development

- Increased social cohesion of the Hout Bay community including increased levels of tolerance and respect.
- Improved safety and security for all residents and businesses in Hout Bay.
- Improved health indicators and outcomes (and addressing related issues such as substance abuse, teenage pregnancy etc.)
- An iconic cultural centre will represent our aspirations as well as facilitate the celebration of our diverse cultural inheritances through art, music and performance.
- Improved educational outcomes of Hout Bay schools.
- Increased training and skills development opportunities within Hout Bay that lead to employment outcomes.

## Built and Natural Environment

- Better use of both commercial and public spaces for increased economic and community benefits.
- Improvement of the natural land and waterscapes for the benefit of Hout Bay residents and visitors.
- The rehabilitation of the Hout Bay River is a symbolic project representing the health of the community, and undertaken in a way that creates jobs through the community works programme, and linking to the City rivers project.
- Facilitating the development of improved housing opportunities and the related built environment.
- The development of the Hout Bay harbour, bringing together private property owners, national, provincial, and local government, is a priority long term project for the HBP. Such development would be aimed at increasing the economic draw card of Hout Bay as an investment and tourism destination, thereby benefiting local residents. A skills training centre would link local residents into increased employment opportunities generated from the harbour and secondary markets. In addition, harbour development would include marine and harbour environmental safeguarding measures, recognising the natural value of the area.

Please visit the Hout Bay Partnership (HBP) website for more information on the partnership.  
<http://houtbaypartnership.co.za/>

## **Objectives of the Consultancy**

HBP has received a grant from the City of Cape Town Economic Development Department for the 2015/16 financial year to begin three Economic Development projects within Hout Bay. This consultancy will support Project 1C. The following excerpts come directly from the City of Cape Town Hout Bay Partnership business plan.

## **PROGRAMME 1: Supporting business development in Hout Bay:**

### **Project 1C: Establish Enterprise Support in Hout Bay**

Within the community of Hout Bay exists a reservoir of talent and resources that can be harnessed to contribute to development outcomes that are in everybody's interest. Combined with a vibrant and diverse set of NPOs and community-minded businesses, successful entrepreneurs and budding start-ups looking for a place to seed their ideas and collaborate, an enterprise support hub would become a multisector community resource and space to enhance Hout Bay's economic development.

- **Feasibility Study Report** - undertake a scoping exercise to determine the feasibility of establishing an enterprise hub in Hout Bay. Whilst it is clear that establishing an enterprise hub in Hout Bay is important for supporting entrepreneurs and micro enterprises there is a need to understand the environment better so as to determine what model will work best in order to provide a sustainable foundation and ensure a solid return on the CoCT investment. HBP will contract a consultancy firm with expertise in enterprise support to undertake a robust analytical study that will assess the existing situation in Hout Bay taking cognisance of the political economy, research existing enterprise / incubator models, determine the best model for Hout Bay and provide recommendations on potential hub premises. To achieve economies of scale the research will also assess the feasibility of shared space with the offices of the Hout Bay Partnership. The assignment will run sequentially to the business opportunity and needs analysis work (Project 1A) with survey findings contributing to the feasibility study.
- **Funding Proposal and Implementation Plan** - Implementation proposal – Should the feasibility study determine that an enterprise hub in Hout Bay will greatly improve economic opportunities, an implementation plan and funding proposal will be developed.

## **Scope of Works**

### **Task 1: Feasibility Framework development**

**Report framework and structure:** Develop a framework for the study and propose the report structure. Under this task the consultancy firm will initially develop a workplan for the study, the workplan will detail all phases of the study which will be undertaken from 1 May – 30 June 2016. A structure for the report will be proposed to the HBP. The study should commence with a desk study during which other feasibility studies for enterprise hubs will be researched and from this the feasibility report structure will be drafted. The workplan and study can potentially be framed around the standard phases of feasibility assessments:

1. Research the business problem or opportunity
2. Document the business requirements for a solution
3. Identify all of the alternative solutions available
4. Review each solution to determine it's feasibility
5. List any risks and issues with each solution
6. Choose a preferred solution for implementation
7. Document the results in a feasibility report

### **Task 2: Understanding Context**

- 2.1** Drawing from the nascent findings from the data collection undertaken by the consultancy firm contracted (24 March) to undertake the HBP Economic Development Projects work revolving around supporting business development in Hout Bay (Terms of Reference available on request) draft a comprehensive analysis of the business problems and opportunities faced in Hout Bay. Whilst focus should be on informal small to medium businesses with the opportunity to grow, reference should also be made regarding large

scale business, in particular businesses which started small in Hout Bay and grew, analysing what made them grow.

- 2.2 Analysing the above data, alternative solutions for businesses in Hout Bay should be identified and assessments undertaken, Following this, and based on the desk study undertaken in task one, an analysis of whether or not a business enterprise hub would be of assistance should be researched.

### **Task 3: Enterprise Support Hub Model options**

- 3.1 **Potential Hub Models:** Based on the findings of tasks one and two at least four existing models for a hub should be described in the report with visuals, these models can be from within South Africa but also the introduction of fresh concepts from other parts of the world are welcomed, perhaps particularly from areas which have the same high tourism opportunities as Hout Bay. Following the presentation of existing models recommendations can be made for an appropriate model for Hout Bay.
- 3.2 **Finance:** A detailed budget for the hub including staff, equipment and operating requirements will be produced, this budget will be phased over three years with the initial year focusing on the establishment of the hub.
- 3.3 **Financial Sustainability/Satellite Hubs:** A well known challenge associated with enterprise hubs is sustainability. The Hout Bay hub will be established with funding from the City of Cape Town however this funding will only cover the leasing of premises and the procurement of minimum office equipment (total budget R230k) for one year. As such options should be identified in the private/corporate sector for the hub to either be a satellite of an existing hub or to be fully funded as a corporate social responsibility endeavour.

### **Task 4: Assessment of potential premises options**

Hout Bay is unique in that within a relatively small and contained geographic area a broad demographic of citizens coexist. The Hangberg, Valley and ImizamoYethu communities each bring diverse and vibrant cultures to Hout Bay, however in many instances the opportunities of this diversity lie dormant. It is envisaged that an enterprise support hub, besides providing business support could act as a catalyst to bring the community further together by providing a centre in which people can mix and interact around the common goal of business development. Under task 4 the consultancy firm will:

- 4.1 Research and investigate the most suitable premises for an enterprise hub. The premises should be easily accessible to all communities in Hout Bay and should be situated in a place which is deemed to be impartial and where all citizens of Hout Bay feel comfortable. A list of potential premises will be produced that includes the ownership details, lease options (period and cost), and appetite of the owners for economic and socio-economic development. It is envisaged that the premises would have a modern/urban feel to them whilst embracing the "quirkiness" of Hout Bay
- 4.2 Based on the above list the top three options should be clearly articulated with recommendations for suitability made based on, amongst others, the above criteria
- 4.3 The Hout Bay Partnership will initially be housed out of the business hub. This is largely due to the cost effectiveness of shared premises/resources but this also makes sense given that the HBP's key projects (and funding) revolve around the development of the business sector. Business and tourism forums will be held in the premises and space for a large meeting room is needed.

### **Task 5: Hout Bay Enterprise Hub Fundraising Proposal and Implementation Plan**

- 5.1 **Implementation Plan:** Should the tasks above combine to determine that the establishment of an enterprise hub in Hout Bay is feasible and sustainable, the consultancy firm will develop funding proposal and an implementation plan for the establishment of the hub.

**5.2 Fundraising Proposal:** Develop a proposal for the establishment of a business enterprise hub, including its purpose and modus operandi. This proposal will be used by HBP to approach the options identified in task 3.3 in the private/corporate sector for the hub to either be a satellite of an existing hub or to be fully funded as a corporate social responsibility endeavour

## Deliverables, Time Line and Payment Schedule

Tasks	Deliverables	By when	Payment	
	Signing contract	29 Apr	10%	Will be based on financial proposal of successful firm
<b>1</b>	Report framework and structure	6 May		
<b>2.1 &amp; 2.2</b> <b>3.1, 3.2, 3.3</b>	Analysis of business challenges and opportunities report, preliminary opinion on hub feasibility Potential hub models report (including visuals of existing hubs) Budget Satelite/CSR options recommendations	3 Jun	50%	
<b>4.1, 4.2, 4.3</b>	List of potential premises Top three premises options and recommendations report	17 Jun	30%	
<b>5.1, 5.2</b>	Implementation Plan Fundraising Proposal Full Consolidated Feasibility Study Report	30 Jun	10%	
			<b>100%</b>	

## Contract Management

The Hout Bay Partnership executive team will lead and supervise project implementation and ensure quality control. The firm's primary reporting link will be with the Hout Bay Partnership's COO Chantal Richey. A fortnightly bullet point project update report will be required and telephonic project update meetings .

## Type of contract

This will be a lump sum contract for fees. The fees will be paid on percentage basis as outlined above for stages of defined outputs.

## Facilities

The Hout Bay Partnership does not currently have office facilities and therefore the firm will be expected to make its own arrangements for work space.