

- The ZDM has low employment and high unemployment levels that, coupled with low education levels poses significant challenges to growth and development.

3. MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT ANALYSIS

3.1 INSTITUTIONAL ARRANGEMENTS

The municipality consists of six (6) departments namely:

- Municipal Manager's office
- Finance Department
- Technical Services Department
- Planning Department
- Corporate Services Department
- Community Development Department

These departments are headed by Officials appointed in terms of Section 56. The responsibilities and functions of each of these departments are explained in further in this report.

3.1.1 DECISION-MAKING PROCESSES

- The Council of the Zululand District Municipality consists of 34 Councilors, 40% of which are proportionally elected and 60% elected to the district municipality from respective local municipalities. The Council is chaired by the Speaker, The Honourable Cllr. S. Hlatshwayo.
- The Executive Committee is chaired by His Worship the Mayor Cllr. VZ kaMagwaza Msibi.
- In order to ensure that there is synergy, and adequate monitoring and control in the performance of the municipality towards achieving the strategic goals that Council set itself; the Council established Portfolio Committees, with each one chaired by an EXCO Member. These Committees meet regularly to track the progress made from time to time in the implementation of the Integrated Development Plan (IDP) of the Municipality.
- The following portfolio committees are operational in the District:
 - Disaster Management, Health and Safety
 - Finance and Budgeting
 - LED and Tourism
 - Community and Social Development
 - Capex and Water Provision
 - Planning and GIS
 - Local Labour
- The financial year 2010/2011 was the year in which the Municipality established its Oversight Committee and started to carry out its founding mandate.

3.1.2 COMMUNICATION

The ZDM has a Communication Plan that is regularly reviewed. In addition to the above, alignment between the ZDM and its Local Municipalities and respective Service Providers is attained via IDP Alignment meetings.

The Council of Zululand District is committed to the creation of a people centered customer care center that is efficient, effective and truly accessible to all communities serviced by the municipality. To this end, the Council procured a Customer Query Logging System (SIZA) to ensure that all communication with the citizens is recorded and that there are proper and adequate mechanisms to monitor the progress being made from time to time, in resolving issues raised by the community.

3.1.3 DEPARTMENTAL OVERVIEW

As already noted, the municipality consists of the following six (6) departments:

- Municipal Manager's office
- Finance Department
- Technical Services Department
- Planning Department
- Corporate Services Department
- Community Development Department

A more in-depth overview of the respective departments will be provided in this section.

3.1.3.1 CORPORATE SERVICES

The Corporate Services department is the organizational Supplement Nerve Centre of the Municipality which is people centric, strategy focused and result driven department. In order to ensure that the department is enabled to efficiently and effectively provide the necessary support to its client departments and other internal customers within the municipality; the department is structured into five broad thrusts, namely: Management Services, Auxiliary Services, Communications Services, Airport and Disaster Management. A brief description of these sections/thrusts is provided herewith:

3.1.3.1.1 Management Services

The responsibility of the Management Division is to ensure provision of the necessary Human Capital, ensuring professional Labour Relations; Employee Assistance Programme; the development of Municipality's Human Capital through relevant Training and Development Strategies, which captures critical training interventions; Efficient Secretariat Support to the Municipal Council and its committees, ensuring a people centric Customer Care, that is efficient, effective and accessible to the community. In addition, to ensure that Council policies are observed including the standing rules of order, and that if there are amendments to the policies they are put through the correct policy processes of the Council.

3.1.3.1.2 Auxiliary Services: Records

Since the implementation of the Electronic Records Management System (EDMS) in 2006 the Council has made considerable progress in modernizing and improving its Records system. The installation of Collaborator has resulted in quick and easy cross-referencing and improved service delivery and transparency when it comes to information management, accessing important documents such as tenders as well as the benefit of having fast workflow distribution to all relevant departments, sharing and searching for information and finally providing feedback rapidly and effectively. The main benefit of this system is the minimization of paper copies and the provision of an audit trail on all documents and correspondence.

The second phase of the EDMS system- the committee management sub-function- has also become up and running to its full capacity and is used for submitting items, generating agendas and the filing of minutes. .

3.1.3.1.3 Auxiliary Services: Buildings and Maintenance

The function of managing the buildings and maintenance of the Zululand District Municipality consists of overseeing the head offices, the Queen Silomo Centre, the Prince Mangosuthu Buthelezi Airport, Princess Mandisi Health Care Centre as well as the 3 satellite offices situated in Vryheid, Phongolo and Nongoma. Other buildings include those used by the Technical Departments in water works and waste water works.

To manage the risk of water cuts in the area which tend to occur on a regular basis, the municipality has installed its own borehole. The backup generator is also being serviced regularly after every 250 hrs of usage. This generator is useful when power is off and it kicks in so as to allow work to continue as we have been experiencing an increase in power outages in the area. Fire equipment servicing is done regularly to ensure readiness for usage at any given time.

3.1.3.1.4 Auxiliary Services: Fleet Management

The Zululand District Municipality has a total of 66 vehicles which are operating within our satellite offices, water plants, head office and the Prince Buthelezi airport in Ulundi. The municipal council approved the Fleet Management Policy which serves as a Management guide on the utilization of the council vehicles.

3.1.3.1.5 Airport

The main objective is to make the airport a catalyst and key driver of the District's IDP and LED programmes. A Strategy document outlining strategies and objectives that need to be implemented to ensure viability of the airport was produced and it is the yardstick according to which progress and achievements made are measured.

Airport operations are governed by the Civil Aviation Regulations of 1997 as amended from time to time. An Aerodrome Emergency Management System has been developed as per Regulation 139.02.6 and approved by the South African Civil Aviation Authority (SACAA) as the legislating body monitoring operations of airports in South Africa. A Full-scale Emergency Exercise has also been performed successfully thereby convincing the SACAA Inspector that the airport is capable of responding to an emergency of that specific magnitude.

An Aerodrome Operations Manual has also been developed according to Regulation 139.02.3 and is currently being reviewed by the SACAA accordingly. Parallel to this, a process of replacing obsolete navigation instruments has also been initiated since these form part of the prerequisites for upgrading to the required level.

The Airport Strategic Objectives are:

- Airport Management
- Building and site maintenance
- Local and regional tourism development and marketing

3.1.3.1.6 Disaster Management

The core function of Disaster Management Division is to address the following issues, namely:

- Conducting Disaster Awareness throughout the district
- Attending to all disaster incidents in the district

Among the types of disasters, common disasters that normally hit the people in the district are the natural disasters such as the storm and strong winds.

3.1.3.2 COMMUNITY SERVICES

The Community Services Department comprises the following sections:

- Local Economic Development
- Municipal Health
- Tourism
- Youth, Sport and Recreation
- Gender and Disability
- Indonsa Arts and Crafts Centre
- Princess Mandisi Health Care Centre

3.1.3.3 PLANNING AND WATER SERVICES AUTHORITY

The Planning Department comprises of the following sections:

- Planning Administration
- Water Service Authority
- Geographic Information Systems
- Development Planning Shared Services

As such, the following functions of council are performed within the department:

- Integrated Development Planning
- Water Service Authority
- Solid Waste Management Services
- District Cemeteries

3.1.3.3.1 Planning Administration

The Planning Administration Section comprises of 4 staff members excluding the Development Planning Shared Services Chief GIS Officer, GIS Officer and District Environmental Manager. The section is responsible for the following functions:

- Integrated Development Planning, including Regional Planning
- Environmental Planning
- Cemeteries
- Solid Waste Management
- Public Transport Planning
- Geographic Information Systems (GIS)
- Performance Management

3.1.3.3.2 Geographic Information Systems

The section comprises of a GIS expert who captures and manipulates and presents data in a form that enables enhanced decision making in terms of strategic planning and service delivery.

Without this unit, the Planning Department and the municipality as a whole would have a difficult time studying and translating the spatial and socio economic trends of the Zululand area.

Maps are printed on a daily basis for the Planning Department, Sector Departments, Political Office Bearers, Professionals and other stakeholders, at no cost.

3.1.3.3.3 Development Planning Shared Services

In response to the new statutory function allocated to municipalities in terms of the new Planning and Development Act, a new unit of called Development Planning Shared Services (DPSS) was established to capacitate and support municipalities in the Zululand area in terms of Development Planning and Geographic Information Systems. Funding contribution are staggered over a 3 year period with financial support from Co-Operative Governance and Traditional Affairs. Thereafter, the Shared Services will be funded in total by the Zululand Family of Municipalities.

Divided into two Directorates of Planning and GIS, the section consists of 8 staff including Planners, Geographic Information Systems Officials, Administrators and Secretary.

In terms of an arrangement between the Zululand Family of Municipalities, the Planning Directorate is placed at Abaqulusi Local Municipality owing to its central location.

The key objective of the Planning Directorate is to assist and capacitate local municipality planners in terms of the new Planning and Development Act, Statutory and Strategic Planning. The key objective of the GIS Directorate is to assist local municipalities and the district to manage and upgrade technical GIS capacity.

3.1.3.3.4 Water Services Authority

The section consists of 3 civil engineers and a secretary in the planning and management of the Water Service Authority function. The responsibility of a Water Services Authority (WSA) is to ensure that water is adequately provided to every single individual households falling within its area of jurisdiction. The provision of water to consumers should be in accordance with the minimum quality and quantity standards set by The Department of Water Affairs (DWA). The Water provision should be sustainable, affordable and efficient.

The Services Authority has the following Duties:

- Duty to provide access to water services:
This duty is subject to-
 - the availability of resources;
 - the need for an equitable allocation of resources to all consumers and potential consumers within the authority's area of jurisdiction;
 - the need to regulate access to water services in an equitable way, with any prescribed norms and standards for tariffs for water services;
 - the duty of consumers to pay reasonable charges, which must be in accordance with any prescribed norms and standards for tariffs for water services;
 - the duty to conserve water resources;
 - the nature, topography, zoning and situation of the land in question; and

- the right of relevant water services authority to limit or discontinue the provision of water services if there is failure to comply with reasonable conditions set for provision of such service.

In ensuring access to water services, a water services authority must take into account among other factors:

- alternative ways of providing access to water services;
- the need for regional efficiency;
- the need to achieve the benefit of scale;
- the need for low costs;
- the requirements of equity and
- the availability of resources from neighbouring water services authorities.

3.1.3.4 TECHNICAL DEPARTMENT

The strategic objective for the Technical Services Department is to progressively provide cost effective, reliable water services of good quality to all potential consumers in the district. The core function of the Technical Department is therefore:

- To implement the new infrastructure (Water and Sanitation)
- Operation and Maintenance of the secondary bulk and reticulation
- Management, Operation and Maintenance of Bulk Water and Waste Water Infrastructure

The key issues were noted to be:

- To improve on the percentage of households with access to basic level of water.
- To improve on the percentage of households with access to basic level of sanitation.
- To improve on the number of required water quality tests conducted (samples).
- To reduce number of plant days down time.
- To improve on percentage of households earning less than R1100 pm with access to free water (Note: Rudimentary LOS included).
- To improve on percentage of households earning less than R1100 pm with access to free sanitation.
- To improve on communication with customers on planned interruptions before disruptions occur.
- To ensure that 100% of MIG grant fund is spent within the financial year.

3.1.3.4.1 Water and Sanitation Provision

Water Service Authority

In terms of the proclamation dealing with the division of powers and functions in 2003 the ZDM was allocated the Water Services Authority function for the entire District.

A **Section 78 Assessment (Municipal System Act No 32 of 2000)** was undertaken by the Zululand District Municipality in 2004.

The aim of the project was to develop;

- An accurate database of assets, staff and finance in order to ring fence the water sector.
- Provide the basis for a comprehensive management system for the operational aspects of the service.

Options Considered

- **Option 1 - Internal Option**

ZDM performing the full services provision function (bulk and reticulation) on an in-house basis (internal Department);

- **Option 2 - External Option 1**

Outsourcing the bulk and reticulation function to Local Municipalities in the northern supply areas of the district with the ZDM performing both functions in the southern areas

- **Option 3 - External Option 2**

Outsourcing the reticulation function to Local Municipalities in the northern supply areas of the district with the ZDM performing the reticulation function in the southern areas. In this option the ZDM takes over the bulk function for the entire district

In terms of the findings of this Section 78 assessment, option (1) was adopted by the then Council as it provided the best option for services provision in the Zululand District;

The option was accompanied by the identification of core functions and the outsourcing of non-core aspects of the water business.

Natal Spa Agreement

In terms of the proclamation dealing with the division of powers and functions in 2003 the ZDM was allocated the Water Services Authority function for the entire District.

At that time an agreement was entered into by all services providers in the District (ie. Local Municipalities) with the Water Services Authority called the Natal Spa agreement.

In terms of this agreement the assets and staff were transferred to the District as WSA and then shifted back to the Local Municipalities until such time as the Section 78 (1-3) was reviewed and completed.

In the period which followed this decision, 4 of the 5 Local Municipalities voluntarily handed the provision function back to the ZDM leaving only Abaqulusi Local Municipality performing the provider function. On the expiry of the Natal Spa agreement, an executive decision was taken to extend the period of the provider function for Abaqulusi Local Municipality, based on the terms of the Natal Spa Agreement, until such time as a suitable agreement is reached.

3.1.3.4.2 Institutional Structuring and Alignment

Water Services Development Plan Steering Committee

The Water Service Development Plan Steering Committee is a planning and alignment structure meeting at least four times a year.

Composition of the committee:

- Zululand District Municipality
- Abaqulusi, Nongoma, Ulundi, eDumbe and uPhongola Local Municipalities
- Relevant Sector Departments
- Contracted Service Providers

The purpose of the Steering Committee is to advise respective Councils on the review, implementation and implementation monitoring of the Water Services Development Plan.

Water Service Provider Meetings

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This structure is a working committee which steers the technical work of Water Service Providers and Contracted Service Providers. Meetings are held monthly and comprise of the Zululand District, Service Providers and the Water Service Providers.

Policies and Bylaws

Water Services Development Plan

The Zululand District Municipality has developed a Water Service Development Plan in terms of the Water Act. The plan profiles communities, identifies areas of supply and maps out the water and sanitation roll out with costs over a multi-year period.

The plan is reviewed annually and tabled to Council for adoption.

Water Loss Strategy and Bylaws

One of the challenges of a Water Service Authority is to account for all water moving in and out of the system. Various mechanisms are used to monitor this activity. However, there are various factors which beat monitoring activities which means that the authority must constantly evolve in order to account for all water. In certain instances, outdated infrastructure or burst pipes may contribute to water loss which is picked up quickly. However, in certain instances water loss is due to criminal behaviour. In order to manage water loss effectively, a water loss strategy has been developed and is regularly reviewed. In order to combat criminal behaviour it is community awareness via political intervention and application of the water services bylaws which the municipality has at its disposal.

3.1.3.4.3 Project Management Unit

The Project Management Unit is basically responsible for the implementation of all the capital projects within the district. The unit has a total of 6 technical officers, two Institutional Social Development Officers (ISDO) and a Senior Project Administrator.

In the 2010-2011 financial year an allocation of R 188 million was received from MIG and was successfully spent 100% by the end of June 2011. The largest percentage, 77%, was spent on water, 20% was spent on sanitation and 3% on sporting facilities. The large amount of money is currently spent in the development of bulk infrastructure and as the bulk line passes through communities, reticulation networks are installed. Where the communities are experiencing acute shortage of water, the rudimentary programme is in place to bring temporal relief and where there are no reliable sources, water tankering is taking place.

Zululand District Municipality, for sustainable water supply, is divided into ten (10) regional schemes with reliable water sources.

3.1.3.4.4 Water Services Provision: Urban and Rural Reticulation

The main function of the "Urban and Rural Reticulation Section" division is to operate and maintain the water and sanitation networks in both urban and rural areas within the Local Municipalities that make up the Zululand District Municipality. This section further manages the provision of Emergency Water under the Drought Relief Programme.

At present all urban areas are serviced with water and sanitation which is metered and they also receive the 6 kilolitre Free Basic Water per month.

The Zululand District Municipality has ten Regional Schemes which are still in progress in terms of construction. Within these regional schemes there are further small stand-alone rural schemes:

Table 20: Regional Schemes

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Regional Water Supply Scheme	Number of Water Supply Schemes
Nkonjeni RWSS	33
Usuthu RWSS	39
Mandlakazi RWSS	31
Gumbi/Candover RWSS	2
Simdlangentsha East RWSS	20
Simdlangentsha Central RWSS	12
Simdlangentsha West RWSS	27
Corronation RWSS	2
Khambi RWSS	23
Hlahlindlela RWSS	23

Source: WSDP 2012

Zululand District Municipality is currently utilizing the water-management devices (WMD's) in urban areas that were introduced to enable the municipality to measure and control the quantities of water consumed or preferred by the consumer. Those who want to be limited to FBW can also be provided on daily or monthly bases. The schemes in the rural areas are not metered as they are considered to be consuming water less than the FBW. Zone meters have been installed to monitor the above situation and if the consumption indicate viability of metering water, that will be considered in the due course.

Currently there are eight reaction teams and contract ZDM 799/2009 is in place with a roster of service providers to provide emergency repairs to water infrastructure.

Despite the rudimentary programme that is in progress, water tankers had to be deployed to those areas with acute shortage of water.

3.1.3.5 FINANCIAL DEPARTMENT

3.1.3.5.1 Financial Institutional Structuring

Policies and Plans

Various financial policies and plans are in place. The Indigent Policy and the Funding and Reserves Policy are to be developed (refer to page 67 for status of sector plans).

Human Capacity Highlights (as at May 2012)

- The top structure comprises the CFO, two Deputies and two Chief Accountants
- All posts have been filled and there are no vacancies
- The posts of a Chief Accountant and a Customer Care Officer have been included in the 2012-2013 budget.
- Human Resources within the Finance Department is considered adequate

Internal and external Consultation structures

- The Finance and Budgeting Portfolio Committee is responsible for initiating policy discussions and advises EXCO accordingly

- The Budget Steering Committee is in place

CFO's Forum

There has been a high turn-over of CFOs within the colleague municipalities which has disturbed the rhythm in establishing co-operation and sharing of experience and best practices in financial management.

For the 2011/2012 financial year, one meeting has already been postponed in march and one was held successfully in April 2012.

Training and Development

- The CFO and one Deputy are almost complete with CPMD training modules
- The MM, CFO and Deputy CFOs have attended GRAP training.
- Middle management and Interns are presently undergoing training to meet the minimum competency requirements

3.1.3.5.2 Financial Management Challenges

Indigent Population

Like many other Districts, the majority of the population in the Zululand District Municipality is indigent (approximately 80%) and that means a small revenue base. Therefore a significant portion of the budget goes towards infrastructure development with very little revenue generated.

Cross Subsidisation

Cross subsidisation is also very low because of the huge ratio between indigents and those citizens who can afford to pay for municipal services.

Water Losses

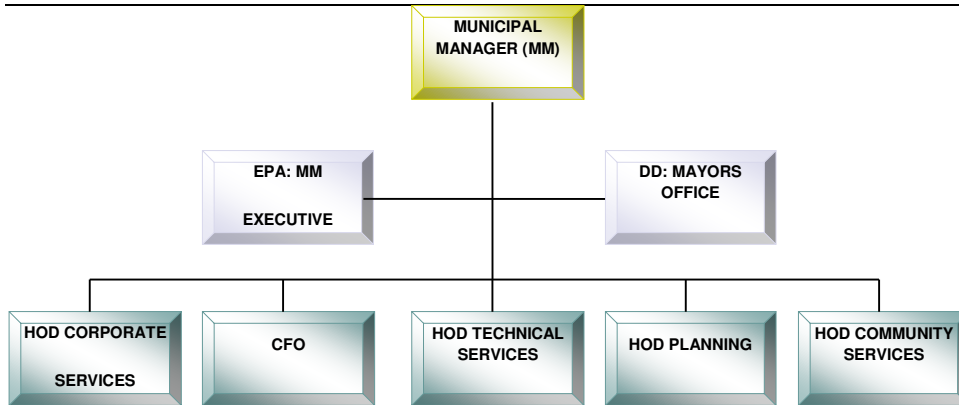
The municipality has experienced huge water losses which have been challenged by the Auditor General. A Water Loss Strategy has been developed to combat this issue.

3.2 POWERS & FUNCTIONS

To be provided in the final IDP Review.

3.3 ORGANISATIONAL STRUCTURE / ORGANOGRAM

Figure 15: High-level Municipal Organogram



3.4 MUNICIPAL INSTITUTIONAL CAPACITY & STATUS OF CRITICAL POSTS

The most recent published information provides the following details on occupational levels:

Table 21: ZDM Occupational Levels

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	19			1	15				35
Senior management	8			1	4				13
Professionally qualified and experienced specialists and mid-management	4			2	1				7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	138			2	67	1		1	209
Semi-skilled and discretionary decision making	126				31				158
Unskilled and defined decision making	2								2
TOTAL PERMANENT	297			6	118	1		2	424
Temporary employees	209			2	22	1			233
GRAND TOTAL	506			8	140	1		2	657

3.5 HUMAN RESOURCE DEVELOPMENT

3.5.1 HUMAN RESOURCE ADMINISTRATION

3.5.1.1 CORE FUNCTIONS

- Recruitment and selection
- Engagements and terminations
- Keeping and updating of personal files
- Administration of staff benefits
- Employment Equity Planning and Reporting (Section 21 EEA)
- Attendance registers, Leave administration and Management

3.5.2 TRAINING AND DEVELOPMENT

3.5.2.1 CORE FUNCTIONS

- Represent Council pertaining to Training and Development matters (Secondary SDF)
- Conduct and analyze skills audits
- Prepare and implement WSP
- Plan , Co-ordinate and Implement Training
- Report on training implemented – Annual Training Reports
- Prepare Training budget and Monitor expenditure of the training budget.
- Act as Corporate Services IT representative

3.5.3 LABOUR RELATIONS

3.5.3.1 CORE FUNCTIONS

- To Implement Council HR Policies and Procedures
- To represent Council in the CCMA and Bargaining Council
- Monitor and administer disciplinary processes
- To advise the Municipality on the implementation of relevant policies
- Monitor the Labour Relations trends and advise on the changes accordingly
- Monitor and update HR policies in line with changes from time to time

3.5.4 HUMAN RESOURCE POLICIES AND LEGISLATION

The policies applicable to Human Resource are among others the following which are all captured into the policy and procedure manual of the Municipality.

3.5.4.1 EXISTING POLICIES

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- Occupational Health and Safety Policy
- Employee Assistance Programme Policy
- HR Policy: Disciplinary Policy, Death, leave etc

3.5.4.2 LEGISLATION

- Basic Conditions of Employment Act
- Labour Relations Act
- Occupational Health and Safety Act
- Skills Development Act
- Employment Equity Act
- Disciplinary Procedures Collective Agreement (SALGBC)

3.5.4.3 POLICIES TO BE REVIEWED

- Occupational Health and Safety Policy
- Employee Assistance Programme Policy
- HR Policy: Disciplinary Policy, Death, leave etc

3.5.4.4 POLICIES TO BE FORMULATED

- Selection and Recruitment Policy
- Scarce Skills and Retention policy
- Training and Development Policy

3.5.5 HUMAN RESOURCE RELATED PROGRAMMES

- New employees Induction Programme
- Training and Development Programme
- Employee Assistance Programme
- Occupational Health and Safety Programme

3.5.5.1 PROGRAMMES TO BE DEVELOPED

- Employee Assistance Programme
- Occupational Health and Safety Programme

3.5.6 HUMAN RESOURCE RELATED FORUMS AND COMMITTEES

- Local Labour Forum
- Training and Development Committee
- Occupational Health and Safety Representatives Forum

3.6 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS

3.6.1 STRENGTHS/OPPORTUNITIES

- Well-functioning Portfolio, EXCO and Council structures.
- Communication Plan and IDP Alignment processes in place.
- MTAS in place.
- Implementation of the Electronic Records Management System (EDMS) since 2006 has made considerable progress in modernizing and improving ZDMs Records system.
- Sub-forums under the Local Economic Development Forum include Tourism and the recently established General Business and Agricultural forums.
- LED Directorate's achievements created further opportunities for growth and development.
- Functional GIS section.
- Planning Shared Services in place.
- Compliance with financial requirements and submission deadlines

3.6.2 WEAKNESSES/THREATS

- Support and buy-in from government departments and local municipal structures cannot be ensured.
- Limited functioning Council oversight committee.
- LLF (Local Labour Forum) does not meet regularly.

4. SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS
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Large disparities are apparent in terms of the nature and structure of the built environment with the most significant disparity between the level of services and development in the rural and urban areas of the District. The towns have comparatively good levels of infrastructure and services.

With regard to service provision the following should be noted:

- The ZDM has an indigent policy in place.
- Free Basic Services (FBS) in respect of water is provided to all by the ZDM, i.e. 6KL free per household per month.
- The ZDM is not an electricity service provider.

4.1 WATER & SANITATION PROVISION

The Zululand District Municipality has conducted a Section 78 assessment for the water and sanitation sector in terms of the requirements of the Municipal Systems Act (32 of 2000). The aim of this assessment being to develop options to enable the District Council to make balanced decisions as to which is the most appropriate services provider option to pursue.

4.1.1 APPROACH TO WATER & SANITATION PROVISION