

## RESTRUCTURING OF THE TWKM ORGANISATION

**TWKM file No:** C 105/2017

**Ward 2 Forum Document File:** 2017/06/007



# Ward 2 Forum

SERVING THE COMMUNITY TOGETHER

**Ward 2 Forum Team**  
31 July 2017

## RESTRUCTURING OF THE TWKM ORGANISATION

As reported by the Office of the Municipal Manager Reg C105/2017, 28 June 2017

### 1. CURRENT STATUS

The Hand Over report of the previous Council identified the five most critical challenges that the new Council will have to face during the next five years:

- The migration phenomenon;
- Ageing infra-structure and bulk service capacity;
- The financial sustainability of the municipality;
- The limited institutional capacity of the municipality, its impact on day to day service delivery and the gap between such institutional capacity and growing public expectation;
- Political and Administrative Stability.

It is estimated that a measly R1m per year (compared to average budget revenue of about R 600 million per annum) will have to be invested in the development of such capacity for at least the next five years in order to prevent a meltdown situation. This despite numerous submissions to TWK by the Ward 2 Forum in expressing concern about the lack of the internal capacity, within municipal structure, to ensure the sustainable continuity of TWK functionality as a local authority.

We cannot understand how it has taken so many years to reach this status, or how so many factors seem to have been ignored in the assessment, or how small a cost is claimed to be sufficient to redress the situation. The

### 2. BACKGROUND

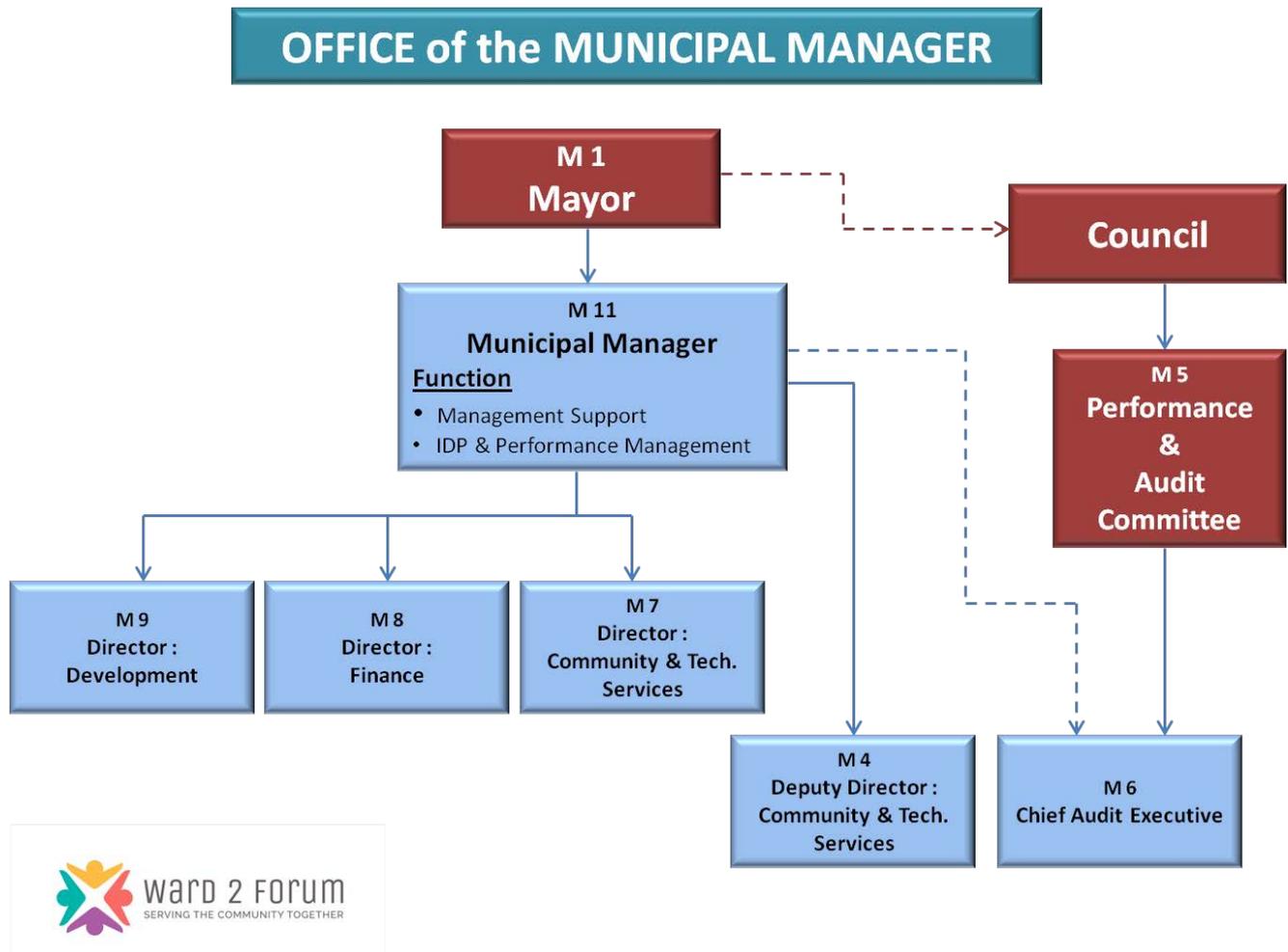
Ten years ago, the municipality was faced by a massive turn around challenge. It was decided that the management of each Directorate would therefore be directed to focus on separate issues:

- Corporate governance;
- Establishing a sound day to day service delivery operation;
- Stabilizing the financial sustainability of the municipality;
- Planning and design of the infra-structure and bulk service capacity of the Municipality;

However, such an approach also had a downside and gradually caused the development of a silo effect and mentality within the organization. There was no joint and collective focus and each directorate and function was focusing on its own mandate, role and function only. This eventually became one of the most important impediments and obstacles to creation of any sustainable teamwork.

### 3. THE NEW PLAN

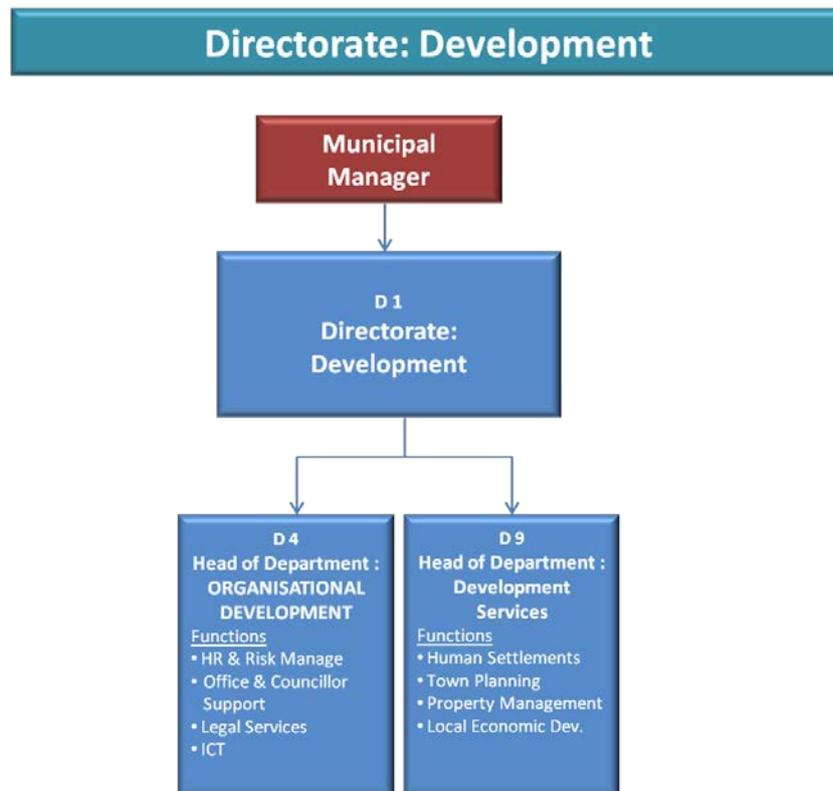
To remedy the above situation, the following changes are being implemented by TWKM, following their adoption by Council on 28 June 2017 :



#### a. Merging of the Development and Corporate Services directorates

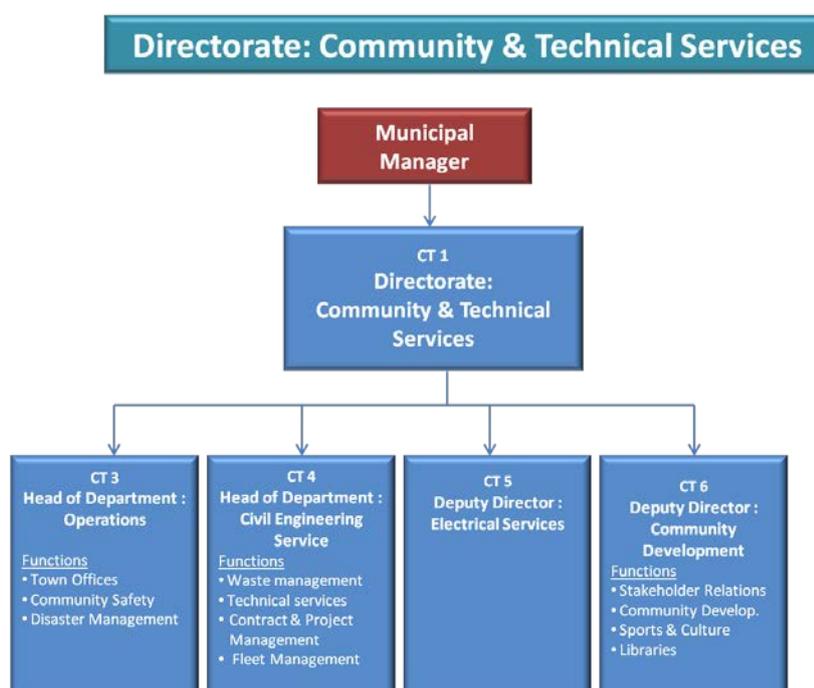
The corporate services function will be restructured into an organizational function, specifically responsible for the development and optimisation of the institutional capacity of the municipality. This will also address the strategic challenge of a growing gap between expectations of the public and the institutional capacity of the municipality.

The development services function will focus on the growth and development of the economy of the municipality, in order to create employment opportunities and wealth for all. A growing economy is also required to broaden the rates base of the municipality and in the process enhance its financial sustainability;



#### b. New Directorate of Community and Technical Services

The two closely interdependent functions of Operations and Technical Services are now merged under one director, include town administration, traffic and law enforcement as well as the main services. The new function of Community Development has been added, which includes Stakeholder Relations, Sport and Culture and Libraries;



**c. New Strategic and Management Support Function**

This function will fall directly under the Municipal Manager and is intended to assist and support the Municipal Manager, the Mayor and Mayco, and all levels of Management. It will direct, coordinate, support and oversee the functioning of the proposed matrix teams referred to below. The appointment however will be delayed until the new Municipal Manager is installed;

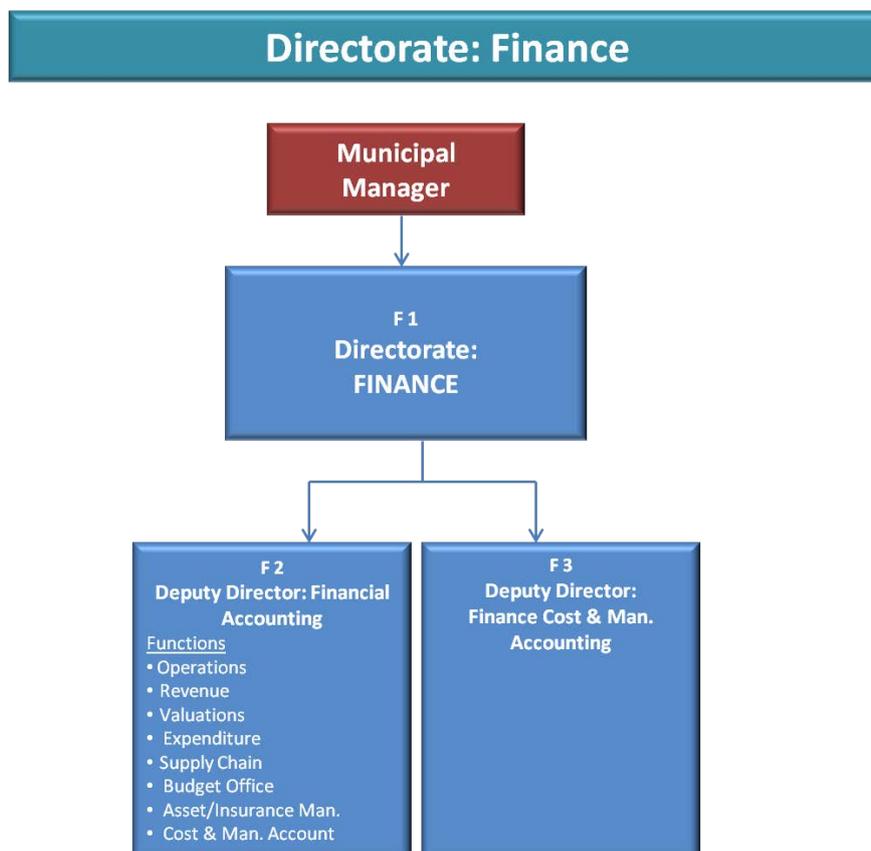
**d. Office of the Municipal Manager**

In addition to the new support function above, transfer the IDP and the Performance Function for the Municipal Manager and Directors from the Directorate of Development Services to the Office of the Municipal Manager. It is also proposed to expand this performance function to all Managers. The Municipal Manager will also direct the matrix teams below.

Internal capacity and skills for the facilitation of some of these change processes do not exist within TWKM and external consultants may therefore have to be appointed for such a purpose.

**e. Directorate: Finance**

No changes are intended for the Financial or Audit functions – even though the financial reporting and control procedures are now being upgraded. A main benefit should be the more accurate costing of all functions as cost centre's, whereas until now it has not been possible to separate, for example, costs of the same function in the different towns.



#### f. Matrix Structure

A matrix structure is introduced in order to institutionalize inter-functional and inter-directorate cooperation and coordination and to counter the silo culture currently being experienced within the TWKM. The main purpose of the matrix structure is to coordinate, guide, support and oversee the organizational effort in addressing the key challenges identified at organizational and collective level, and to meet the Council's goals.

- i. Sustainability Matrix Team,
- ii. Migration Matrix Team,
- iii. Community Development Matrix Team,
- iv. Coordinating Matrix Team,
- v. Economic Development Matrix Team,
- vi. Financial Sustainability Matrix Team,
- vii. GAP Management Matrix Team.

Further reports are to be issued for example on Micro Design, which is presumably intended to assess and improve individual functional sections. By implication, it is assumed that no further changes are anticipated that could affect the new Macro and Matrix structures.

#### 4. COMMENT BY WARD 2 FORUM

Although there may be additional assessments and consultative reports over the years that relate to, and led up to, the decision to proceed with this major report of TWKM's performance and capacity, which have not been made available to us, it is considered that the following would possibly increase the credibility and effectiveness of the whole operation:

- Assessment of the functionality of the portfolio committees;
- Proper implementation of the Ward system;
- Consideration of the views of all levels of municipal staff on the report;
- Assessment of the reported problem of lack of adequate Government funds – the funding value and the reasons for insufficiency;
- The cost analysis of any function, and its attribution to a particular customer element;
- Specific skill and experience shortfalls with the existing staff – and cost of mitigating such;
- The review states a net saving of R 0.73 m per year, but this entirely ignores the unavoidable costs of implementing the proposed changes, retraining etc.
- The reorganization does not indicate nor reflect whether the current staff compliment will be restructured to fulfill the expected outcome or whether additional and outside fresh expertise will be required to achieve the desired outcome.
- No timeline is given on the implementation process, nor any budget other than the questionable annual saving of R 0.73 m.
- Who will be the responsible person to oversee the implementation, monitoring and mentoring of the process?
- Who will determine, finalize and publish the Key Performance Areas (KPA's) & Key Performance Indicators (KPI's) of the various new structures, individuals and auxiliary staff required to fulfill the expected outcome.
- Who will do the performance appraisals and monitoring of the progress to determine that the process is still on track? Will the internationally accepted standard, such as ISO, be used in this new "Matrix" driven proposed structure?
- How will the communication, both internally and externally, be facilitated and maintained to ensure a complete **Change Management Process** by creating and customizing a plan to ensure employees and

residents/ratepayers (clients) who are impacted receive the awareness, leadership, coaching, and training they need in order to implement the proposed **change** successfully.

- The Adopted new structural changes require the Municipal Manager to drive and oversee the bulk of the processes in particular the **Integrated Development Plan** – how will this be managed until the post is formally been filled?
- In the extensive Matrix Model, who will serve as the permanent secretariat to minute, co-ordinate, communicate and maintain the records for each of these extensive new structures?
- Why has the new structure not been announced to the public, explaining the process and giving more detail of the expected outcome?

It is hoped that all the Directors and senior Managers can come to terms with their responsibility for the current situation, and fully endorse their support for the reorganisation. The community deserves a far better service than has been the case thus far, and should be permitted to actually participate in the process to the extent required by the Constitution.



On behalf of Ward 2 Forum  
18 July 2017