

SECTION G

OPERATIONAL FRAMEWORK & STRATEGIES

24. Introduction

Buffalo City Municipality was established in terms of the Provincial Gazette Extraordinary 28 February, Notice 22 of 2000 (with a number of subsequent amendments). The establishment brought together the transitional local authorities of East London and King William's Town as well as the large rural areas that previously fell under the Representative and Coastal Councils.

Since then substantial work has been undertaken to structure and re-orientate the municipality on an operational level so as to ensure its effectiveness in delivering on its developmental mandate as outlined in the Constitution and Buffalo City's Integrated Development Plan (IDP).

This work is not a static, once-off process, but a continuous process of evaluation and re-orientation to ensure that the organisation remains relevant to the changing situation and the developmental objectives outlined in the IDP.

25. Buffalo City Municipality: Political Structure

The section 12 notice published by the M.E.C. for Local Government & Housing determined that Buffalo City Council, in terms of section 9(d) of the Municipal Structures Act 1988, would have an Executive Mayoral System combined with a Ward Participatory System.

The Executive Mayor has a ten-member Executive Mayoral Committee, a Deputy Executive Mayor, a Speaker and eighty-nine elected councillors. Forty-four Councillors were elected in terms of the system of proportional representation and forty-five Councillors represent wards.

25.1 Ward Committees

Council has fulfilled the notice and established the 45 ward committees in terms of sections 72-78 of the Municipal Structures Act. These committees are chaired by their respective ward councillors and each has ten other elected members sitting on them. The Ward Committees do not have formal powers other than to make submissions to Council through the ward Councillor. They are consultative community structures, whose purposes are to broaden participation in the democratic process of Council and to assist the Ward Councillor with organising consultation, disseminating information and encouraging participation from residents in the ward.

25.2 Standing Committees

In terms of sections 79 & 80 of the Municipal Structures Act (32 of 2000) and Section 160 of the Constitution, standing committees have been established to assist the Executive Mayor. In 2002 the Council sought to align the political and administrative structures of Buffalo City. It achieved this through aligning the standing committees with the new organisational structures and creating both operational and strategic standing committees.

The purpose of the strategic committees is to deal with issues of a cross-cutting nature that are seen as having particular strategic importance for the municipality. Previous standing committees were thus dissolved and the following operational and strategic committees were created:

Operational Standing Committees:

- Corporate Services Standing Committee
- Development Planning Standing Committee
- Engineering Services and Infrastructure Standing Committee
- Finance Standing Committee
- Social Services Standing Committee

Strategic Standing Committees

- IDP, Budget & Performance Management Committee
- Special Programmes Committee
- Economic Development & Tourism Committee
- Sustainable Development and Integrated Environmental Management Committee.

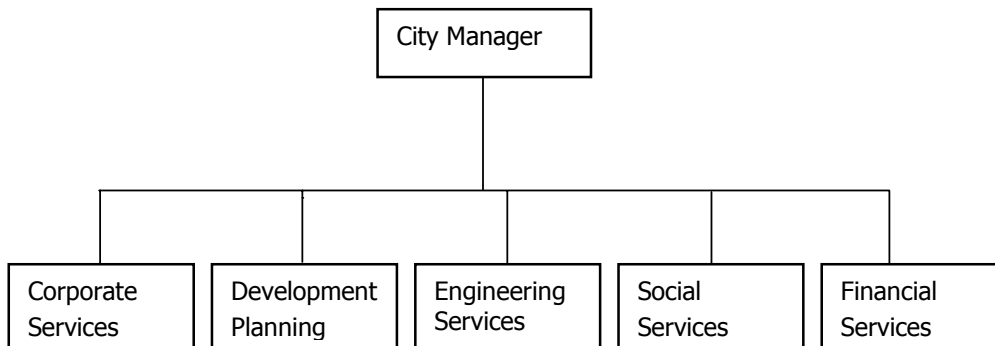
These Standing Committees are chaired by Mayoral Committee members and have members from all political parties. The Operational Committees are limited to a maximum of 14 members and the Strategic Committees to a maximum of 7 members.

26. Buffalo City Municipality: Administrative Structure

The Buffalo City Municipality implements its Integrated Development Plan through its administrative structures headed by the City Manager with the following Directorates:

- City Manager's Office
- Directorate Corporate Services
- Directorate Development Planning
- Directorate Engineering Services
- Directorate Social Services
- Directorate Financial Services

FIGURE G.1: Buffalo City Municipality: Administrative Structure



The organogram for Buffalo City Municipality is in place and to date approximately 98% of staff have been placed on the new organogram.

The Municipality has an overall staff complement of 3,770 and a total of 3,868 funded posts, broken down as follows:

- Executive and Senior Management 21 persons
- Middle & Junior Management 106 persons
- Semi-skilled/ skilled staff 2,169 persons
- Unskilled staff 1,572 persons

Buffalo City Municipality is in the process of designing and developing organizational design principles, which will be incorporated into a new “Work Organization Policy”. This will serve as the framework for all future changes to the organisational structure. Key to these design principles is ensuring the allocation and alignment of resources in terms of the IDP objectives.

26.1 City Manager’s Office

Within the City Manager’s Office there are a number of Departments. These Departments are considered “strategic facilitators” responsible for strategic concerns, overarching plans and ensuring that these concerns are integrated into the work of the five Directorates.

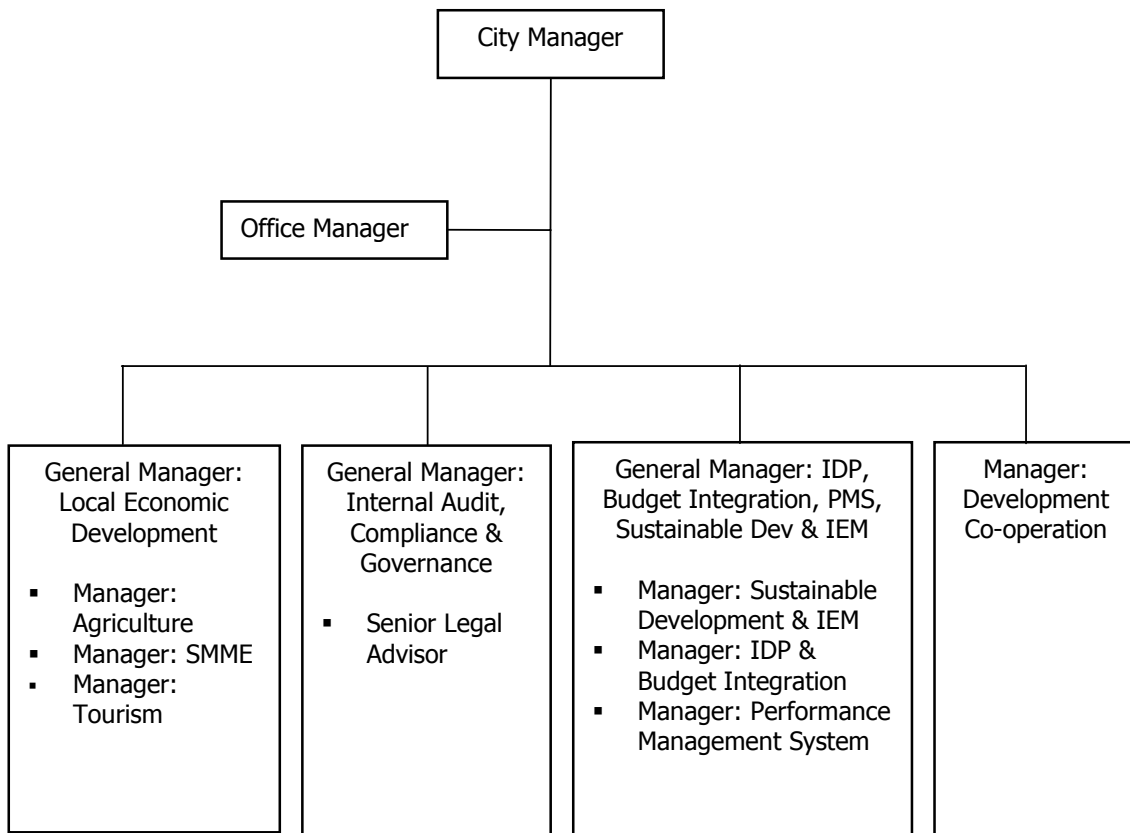
The Departments within the City Manager’s Office thus consist of smaller strategic departments that do not have the larger operational staff complements of the other Directorates.

The Office of the City Manager has the following Departments:

- IDP, Budget Integration, Performance Management, Sustainable Development and Integrated Environmental Management
- Internal Audit Compliance & Governance
- Local Economic Development
- Development Co-operation

Figure G.2 details the organogram of the City Manager’s Office up to management level.

FIGURE G.2: City Manager’s Office



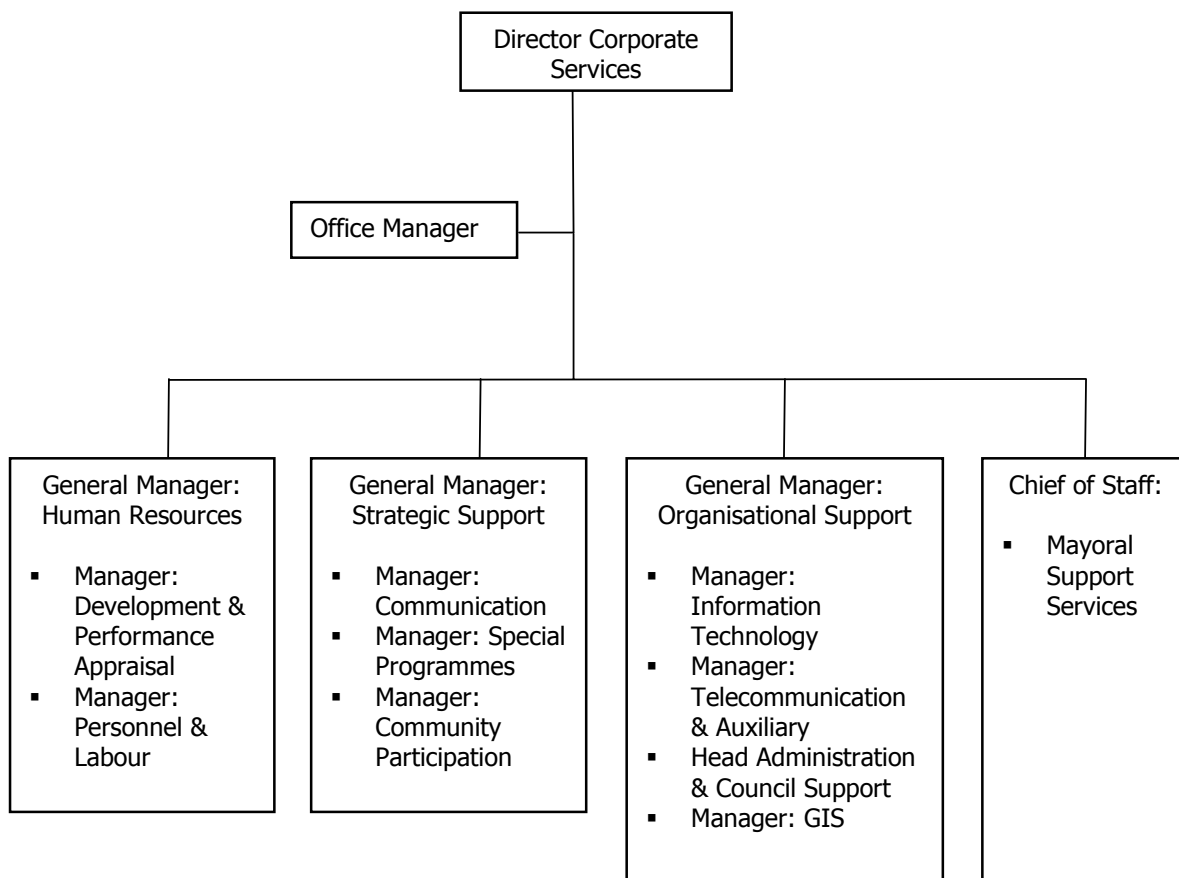
26.2 Directorate: Corporate Services

The Directorate of Corporate Services consists of four Departments. These are:

- Department: Human Resources
- Department: Organisational Support
- Department: Strategic Support
- Chief of Staff: Mayoral Support Services

Figure G.3 details the organogram of the Directorate of Corporate Service up to management level.

FIGURE G.3: Corporate Services



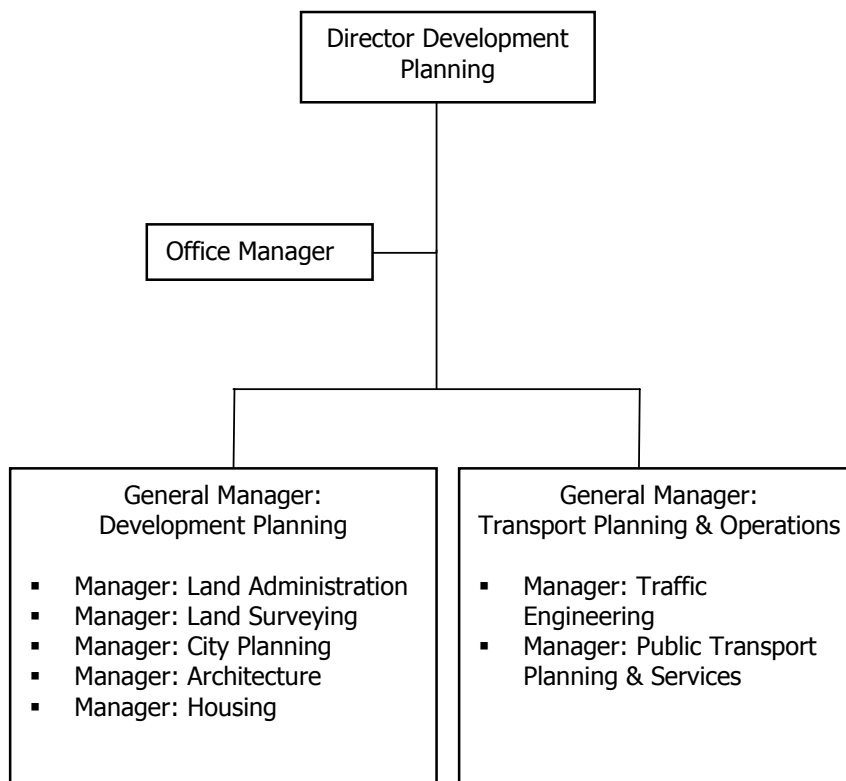
26.3 Directorate: Development Planning

The Directorate of Development Planning consists of two departments headed by General Managers, namely:

- Development Planning
- Transport Planning & Operations

Figure G.4 details the organogram of the Directorate of Development Planning up to management level.

FIGURE G.4: Development Planning



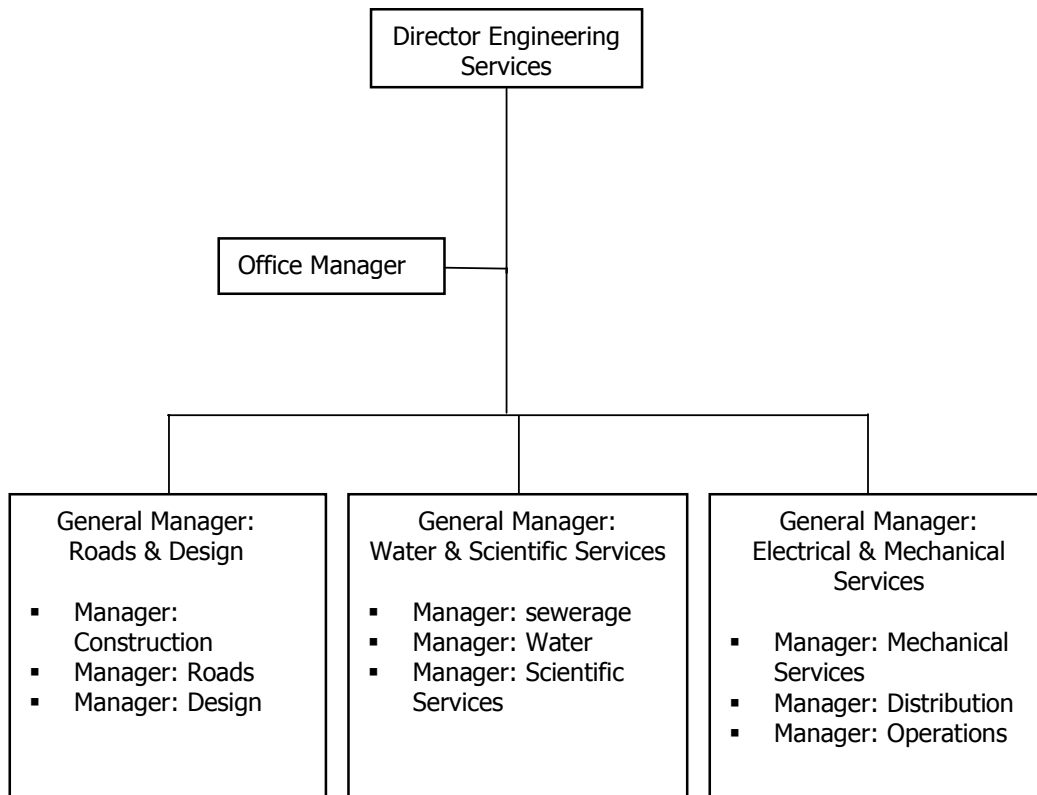
26.4 Directorate: Engineering Services

The Directorate Engineering Services consists of three departments headed by General Managers. These are:

- Water & Scientific Services
- Roads & Design Services
- Mechanical & Electrical Services

Figure G.5 details the organogram of the Directorate of Engineering Services up to management level.

FIGURE G.5: Engineering Services



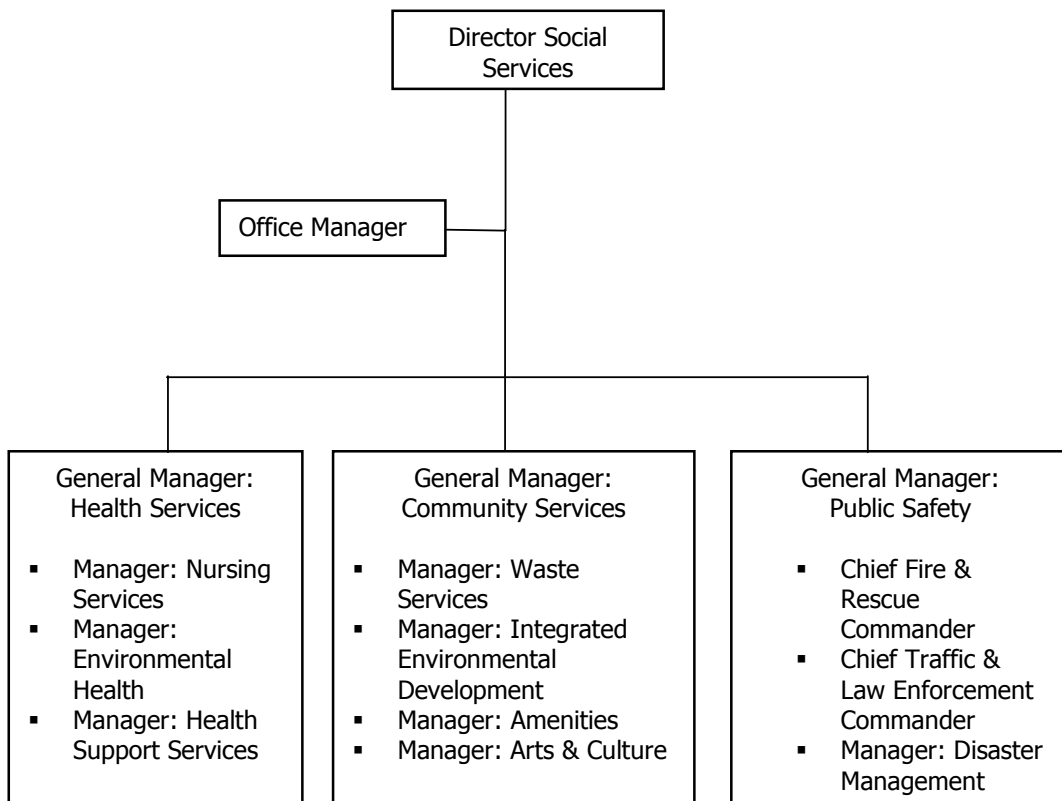
26.5 Directorate: Social Services

The Directorate Social Services has three departments headed by General Managers. These include:

- Health Services
- Community Services
- Public Safety

Figure G.6 details the organogram of the Directorate of Social Services up to management level.

FIGURE G.6: Social Services



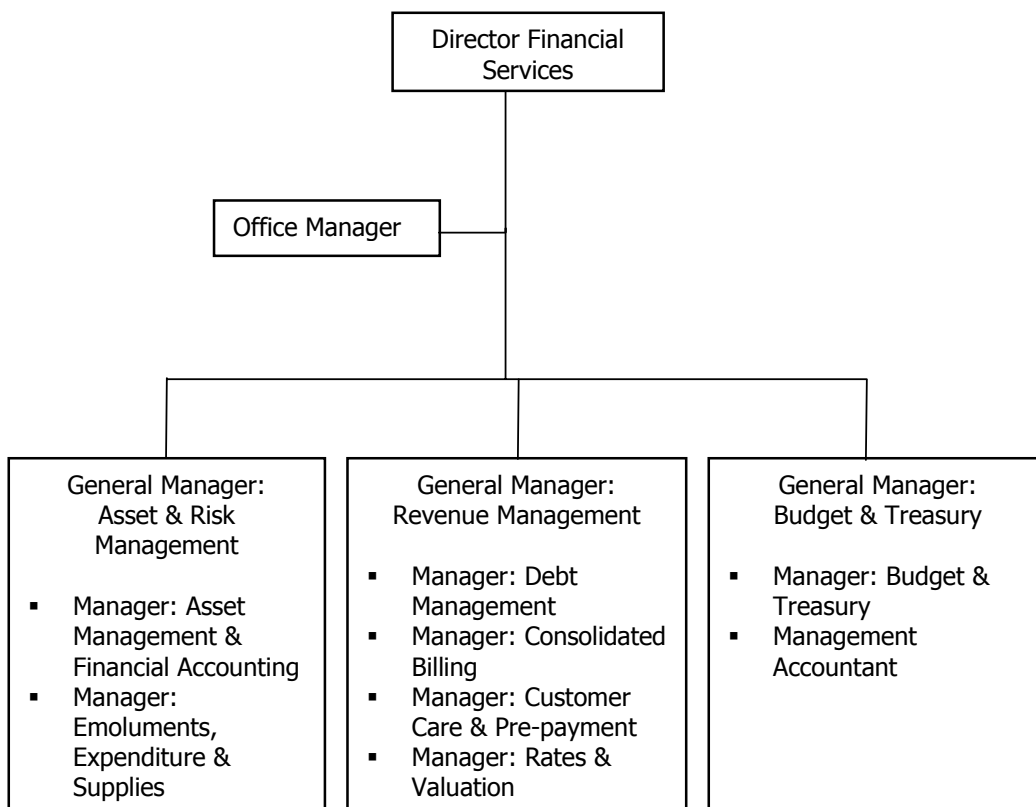
26.6 Directorate: Financial Services

The Directorate Financial Services consists of three departments headed by General Managers, these are:

- Asset & Risk Management
- Revenue Management
- Budget & Treasury

Figure G.7 details the organogram of the Directorate of Financial Services up to management level.

FIGURE G.7: Financial Services



27. Other Institutions:

Listed below are three bodies that Buffalo City Municipality supports and which contribute towards achieving the vision of the Municipality.

27.1 Buffalo City Development Agency

South Africa has adapted the concept of development agencies from examples found worldwide as efficient mechanism of integrated area-based development. Buffalo City Municipality is presently in the process of establishing a Development Agency as one of the initiatives of its Revitalisation Plan, supported by the Industrial Development Corporation (IDC) with grant funding.

One of the envisaged corner-stones of the Agency's business model will be the asset-base of unutilised or underutilised public land and infrastructure that falls within the Agency's demarcated area, namely the extended waterfront and CBD area of East London.

In Buffalo City, this asset-base constitutes a resource of significant value that could be used as leverage to unlock beneficial synergies with other significant prospective investors, both private and public.

The Agency is presently commissioning a Pre-Feasibility Study that is intended to further clarify its local strategic opportunities and to finalise a business plan that will enable Buffalo City Municipality to extend a clear mandate to the Agency as it launches into its operational phase.

27.2 Buffalo City Tourism

Buffalo City Tourism is a Section 21 Company, which is funded extensively by the Municipality and functions as a tourism-marketing agency for the area.

27.3 EL Industrial Development Zone

The East London Industrial Development Zone is registered as a proprietary limited company. Buffalo City Municipality is one of the stakeholders represented on the board. Other stakeholders are the Eastern Cape Government, East Cape Development Corporation, Airports Company of South Africa, National Ports Authority, Cosatu, and the Border-Kei Chamber of Business.

28. Integration & Co-Ordination: Political & Administrative

The political and administrative structures work closely together to achieve the objectives of the Municipality as set out in the IDP. Strategies that are used to ensure alignment between the political and administrative arms of the Municipality include: the structuring of the Standing Committees linking to the Directorates, the placement of Mayoral Portfolio Committee Members within the offices of the relevant Directorates and Departments and through the workings of the IDP Cluster Working Groups and the IDP, Budget & Performance Management Representative Forum.

To implement the IDP it is critical that all the Directorates and Departments co-ordinate and work together. This co-ordination is an on-going process that takes place through formal and informal means. Some of the formal structures include the Cluster Working Groups, the City Manager's & Directors' Meeting, the General Managers' Forum and integrated project working groups.

28.1 IDP Cluster Working Groups

As noted above, the IDP was developed and has been reviewed using Thematic Integrated Working Groups or Clusters. The themes of these working groups or clusters include:

- Social
- Spatial & Infrastructure
- Finance & Institutional
- Economic
- Environment

These clusters are small strategic and operational teams led by directors or relevant key officials and Mayoral Committee members. Each of these teams is composed of representatives from all Directorates and officials who are involved in the direct management and implementation of issues linked to themes.

The role of these Clusters is to ensure inter-directorate co-ordination, co-operation and strategic thinking with regard to the development and review of the IDP, Budget and Performance Management System.

The "Revitalization Plan" and the "Spatial Development Framework" highlight the need for integration and co-ordination in implementation. The "Spatial Development Framework" emphasises spatial integration whilst the "Revitalization Plan" describes a "programming & priorities team" working across all the main services, drawing together the plans and maintenance programmes for each.

The integrated cluster working groups should be utilised for this purpose, with clusters meeting on a quarterly basis to ensure continued co-ordination during implementation, to assess progress with IDP implementation, budget expenditure and to agree on any adjustments to the cluster budget.

28.2 City Manager's & Directors' Committee Meeting

The City Manager meets with the Directors and Strategic Advisors on a weekly basis to discuss and make decisions on issues of strategic and operational importance thereby contributing towards inter-directorate co-ordination.

28.3 General Managers' Forum

During the IDP review process it was agreed that a General Managers' Forum be established. This has been implemented and the first meeting was held in November 2003.

This forum is chaired by the City Manager and consists of all the General Managers, all Advisors and other relevant line managers as and when required. The Forum meets monthly, seeking to ensure integrated planning, co-operation and sharing of experiences. The Forum does not take decisions but makes recommendations to the City Manager and Directors' meeting.

28.4 Integrated Project Working Groups

Many of the IDP projects are implemented by inter-departmental project steering committees thus ensuring integration, not only in the planning phase but also during implementation.

29. Institutional Transformation

29.1 Revitalization Plan

Shortly after the creation of the Buffalo City Municipality (BCM) the need for re-structuring was recognised and hence in January 2002 the municipality submitted an interim application to National Treasury for the restructuring grant, to assist it with the development of a comprehensive restructuring plan, and to meet certain short-term re-structuring costs.

Funding was awarded to BCM and through the 2002 restructuring grant application process, key challenges were identified. In examining these challenges and in searching for ways of addressing them, the Municipality has developed a much wider view of what "restructuring" means. Hence the development of the "Revitalization Plan".

The Revitalization Plan focuses not only on transformation processes and securing BCM's financial position, but also on expanding BCM's role as an effective developmental agent, creating a vibrant service-oriented organization that is a catalyst, strategist and manager of social and economic development for one of the key regions of the new South Africa.

There are 4 major strategic thrusts of the "Revitalization Plan":

- Adopting new approaches to service delivery;
- Expanding the resource base;
- Working with partners;
- Operating more effectively.

These strategic thrusts are developed through seven implementation programmes, which are detailed in the earlier chapters of this IDP Review. The Revitalization strategies and programmes are embedded in the objectives and strategies of this reviewed IDP.

With regard to "operating more effectively", much has been achieved. This is evident in the details of the preceding and following paragraphs of this chapter and the progress with Performance Management.

While many of the necessary changes have been introduced, much still needs to be done for the municipality to fulfil its new developmental role, meet the challenges and achieve the goals set by the people of Buffalo City in the IDP.

The implementation of the change management programme, the skills development plan and the employment equity plan are some of the means of addressing the challenges.

BCM has been successful in its application to National Treasury for the Restructuring Grant and has recently been awarded funds. Forty million rands has been received for the 2004/2005 year and thirty million rands has been promised for the three subsequent years, giving a total of one hundred and thirty million rands.

29.2 Change Management

The new era of local government has necessitated vast changes. The change management process is about building and harnessing capacity to deal with the challenges arising out of the change to developmental local government.

At Buffalo City Municipality "Change Management" is considered in its broadest sense and links to all training and capacity-building in the institution.

Buffalo City Municipality has embarked on a project of considerable size and value and has appointed consultants to assist with the facilitation of an "Integrated Programme to address the Evolving Structure and Organisational Dynamics for Buffalo City Municipality".

The focus of the project is on:

- organisational training needs analysis
- leadership development
- managing/ facilitating change
- review of processes, procedures and systems
- performance management – capacity building

In the change management programme the focus is on ensuring integration and alignment to Buffalo City Municipality's vision and mission as reflected in the Integrated Development Plan.

29.3 Employment Equity Plan

The Employment Equity Act (55 of 1998) addresses the legacy of discrimination in relation to race, gender and disability. The Act is intended to ensure that workplaces are free of discrimination and that employers take active steps to promote employment equity.

Chapter 3 of the Act requires employers to take certain affirmative action measures to achieve employment equity. These should be set out in an Employment Equity Plan.

An Employment Equity Plan is intended to achieve equity at the workplace, making the municipal workforce more representative and ensuring fair and equitable employment practices for all employees. It is further intended to make the administration of Buffalo City more broadly representative of the communities that the municipality is serving and create an organisational culture that is non-discriminatory, values diversity and legitimises the input of all employees.

Pending finalisation of the Buffalo City Municipal organogram, Council resolved to adopt an interim Employment Equity Plan. This was developed in a participatory way, with representatives from the unions and through the Employment Equity Steering Committee and the Local Labour Forum. Buffalo City Municipality has made substantial progress with the implementation of this plan and there is visible progress with regard to the appointment of members of designated groups in top and senior management positions.

Buffalo City Municipality is in the process of reviewing this interim Employment Equity Plan and an updated, two-year plan is currently being developed.

In addition to the plan an organisational audit was undertaken to assess employment policies, practices, procedures and the working environment, in order to identify barriers that could contribute to the under-representation of the designated groups and could adversely affect them. It also sought to identify practices or factors that could positively promote equity and diversity in the workplace and develop measures to remove the barriers.

The Skills Development Plan complements the Employment Equity Plan. Buffalo City Municipality is committed to increasing the pool of qualified candidates from which it makes selections and assesses the capacities of new employees in order to provide them with appropriate training.

29.4 Skills Development Plan

The Skills Development Act of 1998 requires employers to plan and implement learning programmes that will enable employees to acquire skills and qualifications that will enhance their performance, whilst also optimising the organisation's functioning.

Buffalo City Municipality is committed to implementing its Integrated Development Plan and key to this is ensuring that the further learning programmes and skills development are informed by the Plan.