
Your Ref:
Room 827, Bram Fischer Building

Our Ref:
Date: 07 October 2022

**THE SPEAKER OF COUNCIL
CLLR STEFANI LOCKMAN-NAIDOO**

**COUNCIL ITEM: MACRO ORGANISATIONAL STRUCTURE FOR MANGAUNG
MUNICIPALITY: MUNICIPAL COUNCIL TERM 2022 – 2027 FINANCIAL YEARS**

1. PURPOSE

The purpose of this report is to obtain Council approval of the reviewed macro-organisational structure for the municipal council term 2022 – 2027.

2. BACKGROUND AND OVERVIEW

The organisational structure of MMM was approved on 23 August 2012, followed by a revised structure which was approved by Council on 11 November 2014, and subsequent refinements and alterations on a continual basis thereafter mainly as adjusted at directorate and/or sub-directorate levels.

The review of the organisational structure of a municipality is embedded in the legislative framework consisting of the Constitution of RSA (Part B of Schedule 4 and Part B of Schedule 5), Municipal Systems Act, Municipal Structures Act, Municipal Finance and Management Act, Employment Equity Act, Labour Relations Act, as well as the recent Municipal Staff Regulations for staff below Senior Managers as promulgated on 21 September 2021.

The Municipal Staff Regulations (MSR) are prescriptive on procedures required for determining the staff establishment and review thereof, the relevant trigger being, among others, the installation of a new municipal council after the local government elections.

With the inception of the new MMM Council in December 2021, the review of the macro-organisational structure was conducted in line with the requirements of the Staff

Regulations, the process which entailed extensive consultations with stakeholder organisations including National Treasury for purposes of obtaining guidance on the design efforts aimed at achieving cost savings for the municipality.

3. CORE PROCESS FOR REVIEW OF MMM MACROSTRUCTURE

The structural review of the MMM macrostructure entailed reduction of directorates with a view at reconfiguration of collapsed functions into proposed directorates. The organisation design metrics as encapsulated in the prototype staff establishment for Category A (Metropolitan) municipality, are recommended as follows:

| Dimension | Description | Recommended Metric |
|-------------------|---|--|
| Structural layers | Reporting layers within the organisational structure | 6 – 7 layers |
| Structural shape | Reflection of where most resources are allocated occupationally | Strategic: 0.2 – 1% Managerial: 1 – 20% Operational: 70 – 80% |
| Span of control | Number of people reporting to an individual employee | Municipal Manager: 7 – 8 HOD: 6 – 7 Senior Manager: 5 – 6 Manager: 5 – 6 Supervisor: 9 - 15 |

The recommended span of control for the Accounting Officer in accordance with MSR is clearly 7 – 8 directorates which is in line with the proposed reduction of directorates at MMM. The table below provides the current number of directorates with their associated staff complements and the proposed directorates to constitute the proposed macro-organisational structure:

| CURRENT | CURRENT POSTS | PROPOSED |
|------------------------------|----------------------|--|
| Office of the City Manager | 457 | Office of City Manager (create HOD in OCM) |
| Finance | 481 | Finance |
| Corporate Services | 657 | Corporate Services |
| Engineering Services | 1963 | Technical Services relocating mechanical workshop component |
| Planning | 260 | Planning, Human Settlements & Economic Development |
| Human Settlements | 263 | Collapse & relocate to Planning |
| Social Services | 1645 | Rename to Community Services with uniformed services moved to Public Safety. Waste Management relocated. |
| Economic & Rural Development | 64 | Collapse & relocate to Planning |

| | | |
|--------------------------------|------|--|
| Solid Waste & Fleet Management | 1082 | Collapse & relocate Solid Waste to Community Services & Fleet Management to Corporate Services for utilisation purposes. |
| Municipal Police Service | 8 | Public Safety & Security |
| TOTAL: 9 | | TOTAL: 7 |

The detailed discussion of relevant changes to the existing approved organisational structure reflects the following:

- (1) **Office of the City Manager:** The proposal is for creation of the position of HOD in the Office of the City Manager geared at combining the current positions of Deputy Executive Director: Operations and Deputy Director: Organisational Planning and Performance. Core responsibilities will be to exercise control and oversight over the pertinent functions related to Strategy and Performance as well as Governance, Risk and Audit functions. It is further proposed that the Project Management Unit be established at the office of the City Mana
- (2) **Financial Services:** No major changes save for reconfiguration of functions in the microstructure.
- (3) **Corporate Services:** It is proposed that Fleet Management regarding utilisation of fleet be relocated to the Directorate otherwise no major changes except for reconfiguration of functions in the microstructure.
- (4) **Engineering Services:** Renaming to Technical Services, with mechanical workshop be relocated to the Directorate for fleet maintenance purposes and no major changes except for reconfiguration of functions in the microstructure.
- (5) **Planning, Human Settlements and Economic Development:** Renaming to Planning, Human Settlement and Economic Development with relocation of Economic and Rural Development and Human Settlements to this directorate.
- (6) **Human Settlements & Housing:** Collapsing of the directorate and relocation of functions to Planning Directorate.
- (7) **Social Services:** Major changes with respect to relocation of Traffic, Law Enforcement and Emergency Services including Disaster Management to Public Safety & Security directorate.
- (8) **Economic & Rural Development:** Collapse and relocate functions to Planning.
- (9) **Waste & Fleet Management:** Collapse and relocate functions for Waste Management Services to Community Services and Fleet Management Services to Corporate Services.
- (10) **Public Safety & Security:** Creation of the directorate for clustering homogenous functions including Traffic, Law Enforcement, Emergency Services and Disaster Management.

The proposed macro-organisational structure has been designed to reflect the directorates necessary to ensure continuity of functions into the new term of Council pending configuration of functions for the microstructure that will be in line with the prototype staff establishment for Category A municipalities.

4. FINANCIAL IMPLICATIONS OF THE REVIEWED MACROSTRUCTURE

4.1 The cost saving to be realised relate to the collapsed positions of three (3) Heads of Departments for the directorates of Economic Development, Waste & Fleet Management and Human Settlements. Further savings will be realised based on vacant funded positions of General Managers when the process of reviewing of micro-organisational structure is embarked upon. Only critical positions requiring technical expertise would be filled.

4.2 Cost of savings:

| | R |
|---|-------------------|
| 2 x HOD positions @ R 1, 876, 176 each | 3 752 352 |
| 8 x GM: Strategic Support @ R1, 626, 684 each | 13 013 472 |
| TOTAL POSSIBLE SAVINGS | 16 765 824 |

5. RECOMMENDATIONS

It is recommended that Council:

- (a) Note cost savings associated with the reviewed macro-organisational structure in accordance with the Municipal Staff Regulations (MSR).
- (b) Endorse reconfiguration and redesign of the macro-organisational structure for Mangaung Metropolitan Municipality.
- (c) Approve reviewed macro-organisational structure with reduction of Heads of Department from nine (9) into seven (7) aligned to the Municipal Staff Regulations (MSR) come into effect from 01 July 2022.

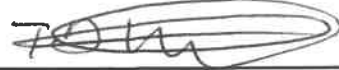
COUNCIL ITEM: MACRO ORGANISATIONAL STRUCTURE FOR MANGAUNG MUNICIPALITY: MUNICIPAL COUNCIL TERM 2022 – 2027 FINANCIAL YEARS

Submitted by:




Adv Nkateko Mpangane
Head of Department (acting), Corporate Services
Date: 26/10/2022

Approved/ ~~Not Approved~~



Mr T Motlashuping
Acting City Manager
Date: 26/10/2022

Ratified/ ~~Not Ratified~~



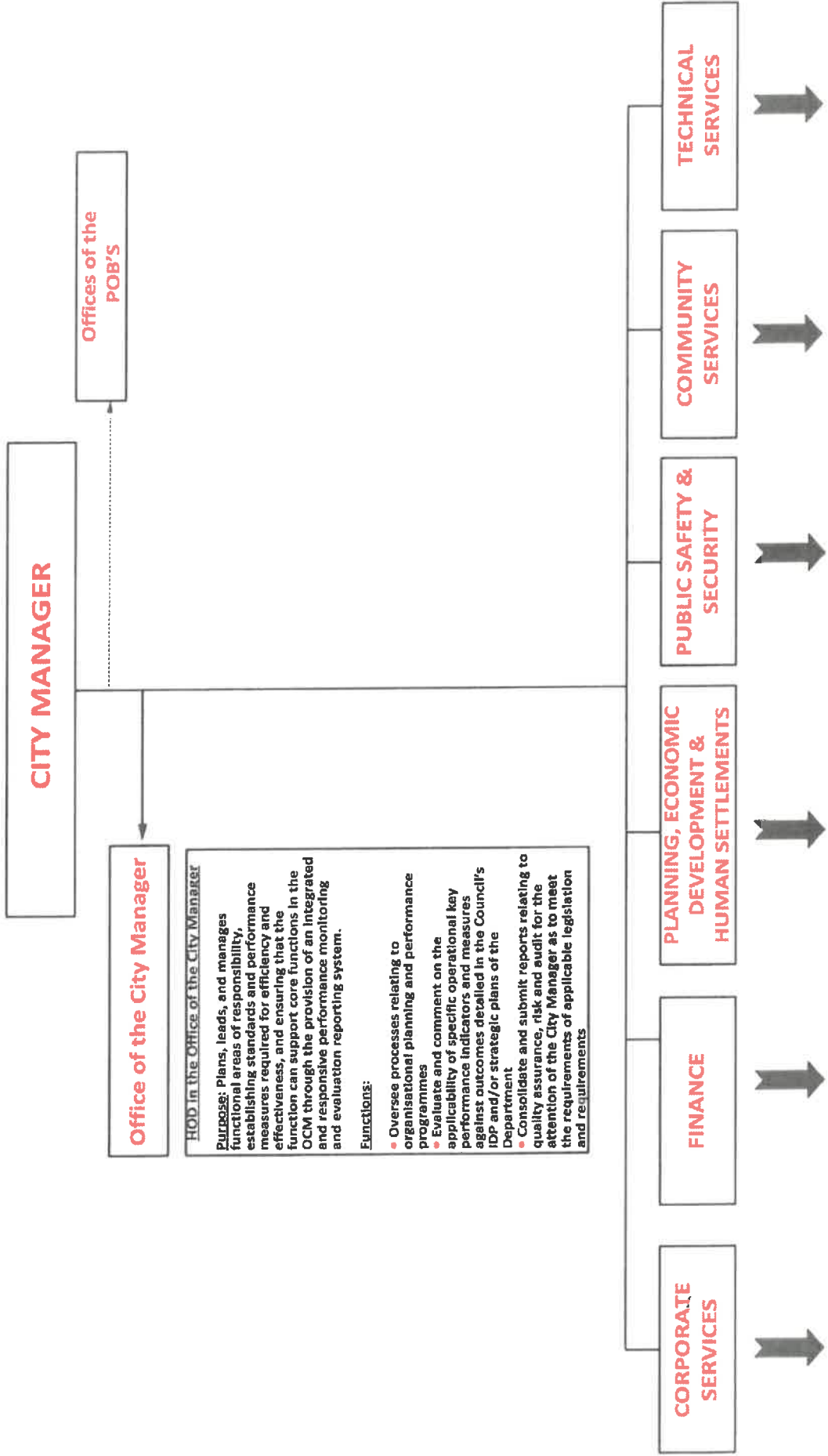
National Cabinet Rep
Mr P Maseko
Date: 27/10/22

Approved/ ~~Not Approved~~



Executive Mayor
Cllr. Mxolisi Siyonzana
Date: 27/10/2022

Proposed Macro Structure: Mangaung Metropolitan Municipality



CITY MANAGER



CORPORATE SERVICES

CORPORATE SERVICES

Purpose: Directs and controls key performance areas of the directorate through implementation of policies, procedures, systems, and controls, guiding critical interventions, applications, and outcomes by providing advice and support with respect to specific functional requirements and controlling the operational dimensions related to key departmental priorities.

- Functions:**
- Oversees optimal functioning of Human Resources and Development systems, policies, procedures, and controls
 - Ensures adequate provision of digital and technological solutions to the organisation
 - Lead and initiate opportunities to enhance internal relationships between management, unions and employees, and support processes to maximise a collaborative working relationship
 - Ensure efficient and effective support is rendered to the offices of Public Office Bearers and the Municipal Manager

FINANCE

FINANCE

Purpose: Contribute to the municipal financial planning processes to give effect to the long term operational and strategic goals of the municipality.

- Functions:**
- Develop, manage, and control the short- and medium-term capital and operating budgets of the municipality
 - Monitor expenditure and recommend and implement corrective measures to rectify deviations to budgetary provisions and audit requirements
 - Consolidate and provide financial accounting-related information for the annual report in compliance with relevant financial reporting standards
 - Comply with Municipal Finance Management Act (MFMA), Supply Chain Management and all other municipal finance regulations

PLANNING, ECONOMIC DEVELOPMENT & HUMAN SETTLEMENTS

PLANNING, ECONOMIC DEVELOPMENT & HUMAN SETTLEMENTS

Purpose: To drive an integrated municipal planning that prioritises and optimises the effective and efficient provision of services to the community.

- Functions:**
- Oversee and monitor spatial planning frameworks for the municipal area and the implementation of a town planning/land use management scheme for the municipality including the administration of development applications.
 - Oversee the development of sector strategies and economic development plans that align with the national development programmes, to ensure viable and sustainable economic activity.
 - Plans, manages, and implements key performance areas and requirements for the Human Settlements function through the implementation of National/ Provincial Human Settlements policies, procedures, systems and implementing critical housing sector plans, interventions, applications and outcomes for residents from informal settlements.
 - Oversee climate change strategies, integrated environmental management and conservation practices.

PUBLIC SAFETY & SECURITY

PUBLIC SAFETY & SECURITY

Purpose: Directs and controls the strategy, procedures and operations associated with Public Safety and Security through alignment and implementation of functional plans and objectives, controlling the implementation, monitoring, evaluation, and reporting sequences associated with the functionality.

- Functions:**
- Oversees Law Enforcement operational planning in the municipality with respect to land invasions, and regulation of informal trading in the municipality
 - Ensures adequate traffic services and road safety measures are put into place, as well as capability of the municipality is guaranteed for emergencies and natural disasters.

COMMUNITY SERVICES

COMMUNITY SERVICES

Purpose: Manages and controls the key performance indicators associated with the operations of the functionality and monitors the execution of procedural sequences/ requirements with aligning standards to meet community objectives and expectations in terms of applicable National, provincial and Council policies and legislative frameworks.

- Functions:**
- Drive programmes associated with provision of optimal services to the community that relate to health, social, library, recreational services and transport
 - Ensure parks and open spaces are maintained to acceptable standards
 - Comply and adheres to legislative requirements for provision of cemeteries services
 - Monitors acceptable waste management services to the residents

TECHNICAL SERVICES

TECHNICAL SERVICES

Purpose: To develop, deliver and sustain key infrastructure for the provision of essential engineering solutions and services.

- Functions:**
- Drive energy demand management, operate and maintain transmission networks and retail operations.
 - Deliver on the assigned mandate for Technical Services pertaining to Water Services Authority and Water Provider.
 - Deliver on revenue commitments by driving the minimisation of losses.
 - Provide oversight of the construction, maintenance, and control of accessible municipal road networks and infrastructure.
 - Expedite capital projects to agreed quality, budget, and timelines.



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Cooperative Governance
REPUBLIC OF SOUTH AFRICA

**LOCAL GOVERNMENT: MUNICIPAL STAFF
REGULATION AND GUIDELINES - REVIEW
OF STAFF ESTABLISHMENT**

Mangaung Metropolitan Municipality

Ms Nakedi Monyela – 2 August 2022

PURPOSE

- ❑ To provide an overview Chapter 2: Staff Establishment of the Local Government: Municipal Staff Regulations, 2021.

STAFF ESTABLISHMENT

Procedures for determining staff establishment

The MM and his/ her management team:

- Undertake the **review/ diagnosis of the staff establishment.**
- Compile and submit report** to council.
- A report to council must—**
 - **outline the process followed** in drafting the staff establishment;
 - **set out the mandate and service delivery priorities** for the municipality and how the proposed staff establishment addresses these;
 - **summarise the proposed posts** that will—
 - materially change;
 - change to a limited or non-material degree;
 - be abolished; and
 - not be affected by the changes;
 - **motivate any proposed changes** and link it to the strategic drivers within the Integrated Development Plan;



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Procedures for determining staff establishment

- **provide details of the financial and non-financial implications** of the changes;
- **propose an implementation plan** with specific timeframes within which the new staff establishment will take effect; and
- **outline the stakeholder and change management requirements.**
- The municipal **council must adopt** the staff establishment, with or without amendments and for local government **within 14 days —submit the following to MEC**
 - staff establishment;
 - council resolution; and
 - reports informing the staff establishment, if any.

DISTRICT DEVELOPMENT MODEL



COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS
FREE STATE PROVINCE
Department of Cooperative
Governance and Traditional
Affairs

STAFF ESTABLISHMENT

Procedures for determining staff establishment

- A municipal manager must review its staff establishment under the following conditions:
 - after election of a new council;
 - adoption of a new municipal IDP; or
 - when there are changes to the boundaries of a municipality or its functions/mandate.

Determining staff establishment

- A municipality may, within its administrative and financial capacity —
 - establish separate departments for the —
 - Development and Town Planning Services;
 - Public Works and Basic Services (Technical Services);
 - Community Services;
 - Financial Services (Chief Financial Officer); and
 - Corporate Support Services.
 - provide capacity to support the —
 - offices of public office bearers; and
 - office of the municipal manager.

STAFF ESTABLISHMENT

Determining staff establishment

- ❑ Sets out **organisational design metrics** and guiding principles for the design of the service delivery model, functional operating model and staff establishment.

| Dimension | Category A | Category B | Category C |
|--------------------------------|--|--|--|
| Structural layers | <ul style="list-style-type: none"> Six to Seven (6-7) layers | <ul style="list-style-type: none"> Five to Seven (5-7) layers. | <ul style="list-style-type: none"> Five to Six (5-6) layers. |
| Structural shape | <ul style="list-style-type: none"> Strategic: 0.2 - 1% Managerial/ Specialist: 1 - 20% Operational: 80 - 90% | <ul style="list-style-type: none"> Strategic: 1% Managerial/ Specialist: 1% - 15% Operational: 85% - 95% | <ul style="list-style-type: none"> Strategic: 1% Managerial: 5% - 15% Specialist: 30% - 55% Operational: 15% - 30% |
| Span of control | <ul style="list-style-type: none"> Municipal Manager: 7 – 8 (S56) Directors: 6 – 7 Divisional Managers: 5 – 6 Managers: 5 – 6 Supervisors: 9 – 15 | <ul style="list-style-type: none"> Municipal Manager: 6 - 8 Directors: 5 - 7 Divisional Managers: 5 – 6 Managers: 5 – 6 Supervisors: 9 – 15 | <ul style="list-style-type: none"> Municipal Manager: 6 - 8 Directors: 5 - 6 Divisional Managers: 4 – 5 Managers: 4 – 5 Supervisors: 9 – 12 |
| Core to support employee ratio | <ul style="list-style-type: none"> Core to support employee ratio of 70:30 The ratio is based on actual headcount and not number of roles | | |

FUNCTIONAL OPERATING MODEL – METRO (CATEGORY A) MUNICIPALITY



Diagram 13: Category A Functional Operating Model Prototype



DISTRICT DEVELOPMENT MODEL

THANK YOU

Ngiyabonga | Re a leboga | Ndo livhuwa | Nndza nkhenisa | Ke a leboha haholo | Dankie | Enkosi

