



UMGENI WATER BOARD PROJECT OFFICE STRATEGIC PLANNING WORKSHOP 18 June 2018 | Ascot Inn, Pietermaritzburg

BACKGROUND AND INTRODUCTION

Water is one of the most essential resources in sustaining life and plays a prominent role in households, industry, the environment and agriculture. In this accord, South Africa's reliance on water boards is overwhelming as water is accessed through them. The role of water boards is centred on the provision of water infrastructure, the supply of bulk water and sanitation services, extending technical support to municipalities and dam operations. In the local context, Umgeni water has been fulfilling this role as a State-owned enterprise since 1974 and has since emerged as one of Africa's most successful water management organisations. The strategic direction of the organisation plays a crucial role in ensuring this reputation is retained.

The Umgeni Water Project Office previously embarked on Strategic Planning twice; during 2016 and 2017 to mainly explore the different approaches of strategy formulation. As a result of these strategic planning sessions, a consolidated and comprehensive SWOT Analysis was one of the key outcomes. The organisation has recently published the 2018 Umgeni Water Policy Statement, and it can be used as an example of how the Project Office imminent document can be structured.

In this regard, MILE partnered with the Umgeni Project Office to undertake a strategic planning workshop. The Session took place at Ascott-Inn Pietermaritzburg on the 8th of June 2018. The workshop was targeted to staff members of the Umgeni Water Project Office, mainly consisting of Project Managers and Administrators.

PURPOSE OF THE WORKSHOP

The main objective of the workshop was to lay a strategic direction and improve effectiveness for the department as a whole.

PROGRAMME

08:00- 08:30	Arrival, Registration, Tea & Coffee
09:00- 09:40	Session 0: Official Welcome and Setting the Scene
09:40- 10:30	Session 1: Re-examining our core business
10:30- 10:45	Tea Break
10:45- 12:30	Session 2: Key Strategic Challenges & Opportunities
12:30 – 13:15	Lunch
13:15 – 14:45	Session 3: Developing a Strategic Plan: How do we cause change to happen?
14:45 – 15:15	Session 4: Consolidation of Strategic Action Plan & feedback form Groups
15.15- 15.30	Way Forward and Closure

CONTEXTUALISATION OF THE ORGANISATIONAL DIRECTION

As the organisation is the second-largest bulk potable water supply utility in South Africa, its operations are primarily focussed on treating and supplying bulk quantities of potable water to municipalities. In this regard, Umgeni Water services the municipalities of EThekwini, Msunduzi, ILembe, Ugu, UMgungundlovu as well as Harry Gwala. Previously, there were plans to consolidate UThukela Water with the organisation, however, there were challenges experienced in the process due to strong concerns regarding billing. As a result, this was put on hold, as Umgeni's philosophy centres on buy-in and avoids forced relations. Alternatively, Umgeni Water has entered into an agreement with UThukela Municipality to takeover operations of water. This is done in an effort to improve water services as the need for meter points is predominant due to significant water loss. At the moment there is no clarity on the details of Umgeni's role except for making incremental changes to improve issues regarding water over time. The challenge, however, is regarding cost recovery as the residents are not billed for this service. In moving forward, part of the plan is outsourcing local teams in order to ease the transition.

Moreover, for the purposes of improving the management water supply in bulk quantities, plans were made to consolidate and realign water boards to a total of nine. It was only Umgeni, Umhlathuze and UThukela Water boards that were retained in KZN. One of the short term or immediate goals in the pipeline is the consolidation of Umgeni with UMhlathuze, due to the bulk of their sales of raw water is to industries, yielding to fewer overall sales. Therefore, the process has been initiated as Umgeni has appointed a PwC for Due Diligence.

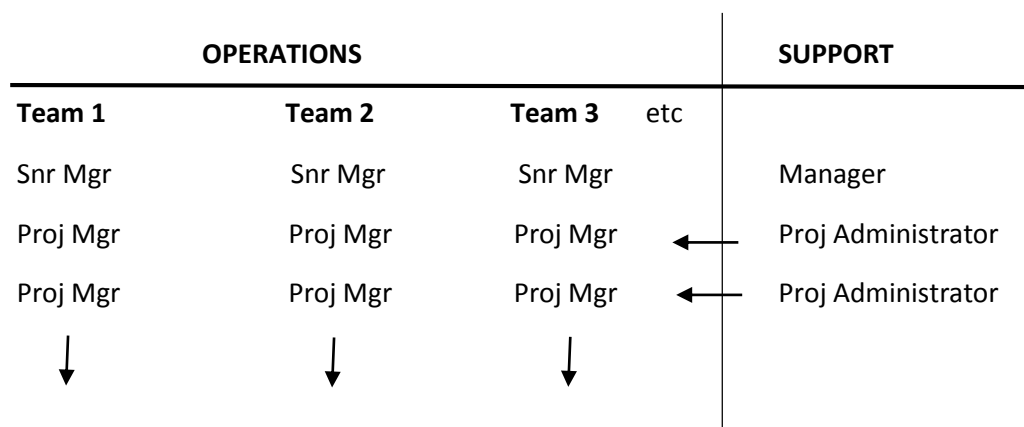
Currently, Umgeni Water is only accumulating revenue from servicing EThekwini and UMgungundlovu Municipalities', otherwise the remainder of the province is cross-subsidised.

The organisation is facing uncertainty amidst the imminent changes. There is a long term view of amalgamating the existing water boards into three regions (inland, coastal and northern). These will be inclusive of Umgeni, Sedibeng and Rand Water acting as the stronghold.

Furthermore, the organisation will be undertaking a restructure, which will be headed by two Executives. Finer details regarding this matter will be developed.

THE PROJECT PLANNING OFFICE JOURNEY

The organisation is facing imminent changes as the restructuring process is about to commence. More specifically, changes will be effected to the Engineering and Scientific Services and will result in Scientific Services and Infrastructure Development respectively. Thereafter, the immediate goal for the Board is commencing the process of recruiting two Executives who will lead these Divisions. Moving forward from that point will be informed by interactions between the new Executives and staff. One of the Project Office proposals of the ideal new structures is as follows:



In summary, the above is an illustration of the envisioned ideal restructured model of the Project Office. The objective is that Operations and Administrative Support will be separate departments working in parallel. The Operations Division would be divided into various teams consisting of Project Managers and Senior Managers at the helm. It is thus proposed that the provision of support by Administrators for each team will be necessary and ensure effective operations in the department.

Another pertinent issue that is affecting the Project Office is performance. According to statistics on the departmental performance, it is evident that the level of performance is inconsistent. It emerged that in many instances, scope creeps/changes and other external factors act as barriers to delivering projects on time. These delays and continuous project

extensions are due to legitimate reasons and the concerns of staff regarding this matter were noted, and solutions are under consideration.

VISION OF THE PROJECT OFFICE

The Umgeni Water Project Office is mandated with the provision and implementation of water services to its customers. In order to meaningfully undertake this function, all the strategies of the department should be informed by its strategic direction. However, a vision of the Project Office cannot be crafted as yet due to the organisational restructuring that will commence in the immediate term. The office will reconvene after this has been done.

DEVELOPING A STRATEGIC ACTION PLAN

Participants engaged extensively and identified key opportunities, challenges, their underlying causes, strategic goals, strategies and accountable persons. However, financial estimations and timeframes were omitted due to the imminent organisational changes; they will be attended to when the entire draft strategic action plan is revisited at a later stage. For a detailed strategic action plan, kindly refer to the end of the document.

WAY FORWARD AND CLOSURE

The development of SAP and RICEFS to improve project turnaround time will be finalised in the near future. Moreover, it emerged that the Finance and SCM Departments are in favour of electronic approvals, which will also contribute to improved turnaround time. The imminent changes to the structure of the organisation will come with opportunities to address the current challenges.