



Vuthela SPARK

IGNITING INCLUSIVE ECONOMIC DEVELOPMENT IN ILEMBE



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Editorial: Vuthela meets goals with finish line in sight

Vuthela Spark 13 has a focus on digitalisation of work systems and strengthening municipal financial systems which contribute towards the enabling environment for inclusive growth and job creation.

Digitalisation and the broader concept of Digital Public Infrastructure (DPI) to improve the quality and access to public services have become buzzwords in public and development management literature, accelerated by the COVID-19 pandemic and the global technological innovations taking place. (For those who want to know the distinction between digitisation and digitalisation: the former refers to the process of transforming information from a physical format to a digital version, while the latter refers to the practice of utilising technology to enhance business processes by converting them over to use electronic or digital technologies.)

The iLembe family of municipalities have moved forward to put these concepts into concrete practice with the assistance of the Vuthela Programme through the introduction of the district-wide automated Indigent Register, referred in short as "IndiReg". This project was undertaken as part of the Vuthela Public Finance Management component, through a contract with Revenue and Utility Management Solutions (Pty) Ltd (RUMAS). The IndiReg system has now been fully installed, institutionalised and integrated across all the municipalities in the iLembe district, and RUMAS will continue to maintain and provide support services on the system in terms of the licencing, maintenance, and support provisions. The benefits of the system to indigent applicants, municipal efficiencies and the improved accuracy of financial and debt management information

are described in detail in this Issue. Going forward, there are still actions that the municipalities need to undertake to achieve full optimisation of the system.

At the same time, the iLembe District Municipality has with the assistance of the Municipal Infrastructure component of the Vuthela Programme installed and deployed the EDAMS Asset Management Information system. The system was developed by EDAMS Technology, a division of Hydro-Comp, an international information technology company specialising in integrated Asset Infrastructure management information systems and related services for utilities and municipalities. It is active in over 20 countries. Nelson Mandela Bay Metropolitan Municipality, Bitou Local Municipality, and the water utilities Silulumanzi and Siza Water use the EDAMS software in South Africa.

The iLembe family of municipalities have moved forward with digitalisation and the broader concept of Digital Public Infrastructure (DPI) to improve the quality and access to public services.

The system will be used for accurate mapping of infrastructure assets, development, implementation, and operationalisation of maintenance procedures, analysing performance, assist to address non-revenue water (NRW), technical asset valuation, infrastructure rehabilitation, planning and enhanced customer care. While the installation, training and institutionalisation of the system has been completed, the Vuthela Programme has also funded the ongoing maintenance and support for the system through the licencing provisions with Hydro-Comp for a period of two years (until June 2025).

The iLembe District Municipality already approved the continuation of the annual software license maintenance and support.

Another project which has reached fruition, has been the successful accreditation of councillors and senior officials who participated in the Local Government SETA accredited Municipal Leadership, Finance and Oversight Capacity Programme, delivered through Tachfin and conceptualised and funded by the Vuthela Programme. An award ceremony took place on 11 August 2023.

A total of 65 Councillors serving in various oversight committees, including Municipal Public Accounts (MPAC), Finance Portfolio (FPC) and Budget Steering Committee (BSC) as well as 35 senior officials from all the municipalities in the district attended the course, of which just less than a third were to submit Portfolios of Evidence (POEs) for assessment and to secure formal accreditation.

The objectives of the training were to improve effective financial management and controls, and to strengthen the role of portfolio committees in exercising their legislative oversight on the in-year municipal financial reports when they are tabled. The full impact of the training will be realised once there are material reductions in non-technical (financial) water and electricity losses, Unauthorised and Irregular, Fruitless and Wasteful Expenditure (UIFWE), and improved revenue and debt management in the period ahead.

The Vuthela Programme Co-ordinating Unit (PCU) is still on track to conclude all its project implementation work at the end of September/October 2023, and complete PCU close out activities until its dissolution in December 2023. The Vuthela Programme and its local government and implementing agent partners will however still be active in undertaking three Vuthela implementation projects that have been transferred to the municipalities for project management relating to reducing water and electricity losses in the district to the value of more than R 40 million. These projects to be completed and closed out by November 2024.



Municipal leaders get to grips with financial oversight

An accredited municipal leadership, finance and oversight capacity programme led by the Vuthela Programme strengthens the oversight of municipal leaders in the iLembe district writes Zama Soji, Key Expert for the Vuthela Public Finance Management Component.

The dysfunctionality of some municipalities in KwaZulu-Natal is to an extent attributed to almost 300 councillors not being able to read or write, according to the Department of Cooperative Governance and Traditional Affairs (CoGTA) Skills Audit Report issued last month.

The Vuthela iLembe LED Support Programme conceptualised an accredited 'Municipal leadership, finance and oversight capacity programme' to strengthen the oversight capacities of Councillors and senior managers of municipalities within the iLembe district in 2022. The training was implemented by Tachfin Management and Training Consultants (Tachfin), an accredited training services provider with the Local Government SETA. The skills programme involved 65 Councillors serving in various oversight committees, including Municipal Public Accounts (MPAC), Finance Portfolio (FPC) and Budget Steering Committee (BSC) as well as 35 senior officials, those being Section 57 and 56 Directors, Executive

Directors and Municipal Managers) of all municipalities in the district.

The training covered modules directly addressing aspects of oversight capacity, leadership, emotional intelligence, policy making, financial management, performance management, monitoring and evaluation as well as ethics and governance.

Much as the Constitution of the Republic of South Africa of 1996, the Municipal Structures Act 117 of 1998 as amended by Act 3 of 2021, the Municipal Finance Management Act 56 of 2003 and other relevant pieces of legislation make specific provision for structures and mechanisms of oversight, the question has remained about the extent to which these structures understand their role and are fully equipped with the knowledge, skills, and tools to effectively exercise their roles for effective and efficient service delivery.

Key participants

Consequently, portfolio-based oversight committees were key targeted participants as they have among their primary focus areas oversight on service delivery and



Zama Soji, the Public Finance Management key expert at the Vuthela iLembe LED Programme

policy implementation as well as oversight on public financial management and accountability in municipalities. Thus, the training sought to enhance effective financial management and controls, and to strengthen the role of portfolio committees in exercising their legislative oversight on the in-year municipal reports when they are tabled.

The training provided the necessary tools for participants to improve audit outcomes by effectively exercising their leadership, oversight and policy-making role in delivering services efficiently and effectively in line with their Integrated Development Plans (IDPs) and budgets. Due to the generally reported weakness of in-year reports, including the Section 71 and 72 reports in the local government sphere, there was also a need to capacitate senior managers who are leaders in their own sense and mostly work on the reports and assist Councillors with implementing the IDPs through their Service Delivery Budget Implementation Plans (SDBIPs).

The training emphasised the responsibility of Councillors and senior managers to serve what has been described as the "higher purpose" of government related to issues of representative democracy, oversight, integrity, and ethical leadership.

Packaged by Tachfin into four Unit Standards per cohort (Cohort 1: Councillors and Cohort 2: senior managers), the skills programme followed a blended learning approach which combined traditional physical classroom place-based methods and online educational methods with opportunities for interaction online and five-day contact sessions. These ran from 7-11 November 2022 and 14-18 November 2022 for Cohorts 1 and 2 respectively with physical follow-up sessions taking place from 23-27 January 2023.

The contact training sessions involved facilitator-led discussions and formative (classroom-based) activities. Formative activities were used to gauge learner progress individually and in groups.

After the five-day contact sessions, participants had four weeks to gather workplace evidence and prepare summative assignments where they provided evidence of the knowledge gained and how this practically influenced their approach and attitude in the workplace.

The e-learning component of the training comprised of online reflection activities done on the Tachfin Learner Management System (LMS). On the Tachfin LMS, participants reflected on what they learnt in every module and how that could be applied practically in the execution of their daily duties at work. The participants were also given one-on-one virtual support and guidance as they worked on their Portfolios of Evidence (POEs), both hard copy and online. This was done through Microsoft Teams, Zoom and WhatsApp.

Impact assessment

A post-training impact assessment was conducted from 11-23 July 2023 through interviews with 10 and nine competent participants from Cohorts 1 and 2 respectively. Since the conceptualisation of the training was on the



Councillors who completed their oversight training received certificates.



From Left to right: Mr Richard Clacey, Vuthela Programme Manager; Dolly Shandu, speaker of iLembe District Municipality; Dolly Govender, speaker of KwaDukuza Municipality; Councillor Thobani Shandu, Mayor of iLembe District Municipality; Mr Takura Chamuka, CEO Tachfin Holdings; Councillor Zibuyile Khuzwayo Dlamini, Mayor of Maphumulo Local Municipality and Ms Beryl Sewpersad; Acting Chief Director KZN CoGTA Capacity Building unit.

Synergy for Energy Seminar #2

Second Synergy for Energy Seminar hosted by Vuthela to build on the emerging learnings and assess the district's key developmental priorities.

The Vuthela iLembe LED Support Programme will host the second Synergy for Energy seminar next month to explore ways of securing energy supplies in the coastal areas of the iLembe district.

This follows several developments in the rapidly changing local and national regulatory environment.

The KwaDukuza Local Municipality has approved and adopted an Energy Policy, and regulations are being drafted to manage the implementation of alternative energy sources in addition to the Eskom supply.

The long-awaited Electricity Regulation Amendment Bill 2023, which seeks to create a competitive multi-market electricity industry, has been formally introduced into parliament – five months after its adoption by cabinet.

Diverse ways of buying and selling

The Bill is expected to diversify ways of buying and selling electricity by introducing competition to decrease electricity costs. It will enable market participants to trade with each other, registered generators to enter into power purchase agreements (PPAs) directly with customers, and generators to form PPAs with transmission network operators.

It has also been announced that the South African Renewable Energy Masterplan (SAREM) is expected to be finalised by November this year, and implementation will begin immediately afterwards.

Trade and Industrial Policy Strategies (TIPS) senior economist Gaylor Montmasson-Claire, the facilitator of SAREM, announced this in late August during a webinar on unpacking the plan.

These developments will require stakeholders to review their strategies and development plans for alternative energy supplies, which means that a high level of collaboration between the private and public sector is needed



Participants at previous Synergy for Energy Seminar

Effective partnerships

The need for effective partnerships to resolve the electricity crisis was a recurring theme at the first Synergy for Energy seminar and will be a central theme of the second seminar.

The second seminar will also follow up on several other issues raised at the first session, which will determine how electricity is generated, distributed, and consumed within the district in the future.

Presenters will include experts in the field of energy, municipal officials from other municipalities that have implemented alternative energy sources, representatives of provincial and national government, and private sector operators.

The second Synergy for Energy seminar will build on the emerging learnings and assess the likely challenges, implications and the road map going forward following the adoption of the Energy Policy and national regulatory developments. It will focus on securing the social, economic, environmental and technical sustainability of energy in the KwaDukuza Local Municipality.

The need for effective partnerships to resolve the electricity crisis... will be a central theme of the second seminar.

The seminar will aim to consolidate stakeholders' understanding of the changing regulatory environment, developments underway in other municipalities, and examples of emerging best practice in other South African municipalities.

It will also consider issues related to ways of addressing the anticipated reduction in municipal revenue following extensive uptake of renewable energy options, tariff regimes and whether renewable energy can provide enough energy for the base load.

The seminar will assist stakeholders in the private and public sector to navigate through the changing regulatory landscape as they bring policy and practice together to build a reliable supply of electricity for growth of district.



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Municipal leaders get to grips with financial oversight

Participants... indicated that the training needs to be extended to other beneficiaries in and outside their municipalities.

assess the effectiveness and the impact of the training in fostering oversight, accountability and transparency.

The assessment examined the extent to which participants were equipped with knowledge and tools necessary for effective, ethical and responsible leadership, oversight and policy making as well as more effective local governance. The data gathered from the participants reflected that the training was largely impactful in strengthening oversight, leadership, emotional intelligence, financial management as well as policy making among other factors which in turn facilitates better service delivery. Most participants appreciated the delivery approach used by Tachfin and indicated that the training needs to be extended to other beneficiaries in and outside their municipalities.

Awards ceremony

The project culminated with the handover of certificates to competent participants on 11 August 2023 in Ballito at an event attended by various invited guests, iLembe District Executive Mayor, Cllr T Shandu, and Mayors. Speakers were Cllr Thobane Shandu, Mayor of iLembe District Municipality, Cllr Dolly Shandu, Speaker of iLembe

District Municipality, Cllr Chief Whip Cllr H Mbatha on behalf of the KwaDukuza Mayor, Zama Soji, PFM expert from Vuthela, Takua Chamuka, Tachfin CEO and Project Manager, Richard Clacey, Vuthela Programme Manager, Beryl Sewpersad, CoGTA, Cllr Nelsing Sewraj for Cohort 1, Adv Themba Yengwa for Cohort 2, and Philile Dlamini for the Skills Development Facilitators.

In his remarks, the iLembe District Executive Mayor expressed his appreciation to Vuthela for such a training initiative, sentiments also echoed by Beryl Sewpersad of CoGTA.

The Vuthela Programme Manager Richard Clacey reminded the delegates that the real impact of the training has to be seen in material changes in the persistent challenges that the municipalities were facing around non-technical water and electricity losses, revenue and debt management as well as Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFWE) and capital budget under expenditure.

Tachfin CEO and Project Manager, Takura Chamuka, in applauding the competent participants, said that the recently acquired skills, tools and knowledge, need to be coupled with the conscience and emotional capacity to shoulder the burden of liability when things do not go as expected, the same way that people want to glow in the glory when things go well, for that is true accountability.



Managers from the municipalities were trained in the management of public finances.

premise that municipalities through their Councils are responsible for the design and execution of service delivery projects that have a direct bearing on the enabling business environment and citizens' welfare and therefore needed critical oversight skills, it was critical in the end to

Automated indigent management system supports indigent registers across the district

The design, development and implementation of an automated indigent management system now ensures registers of all municipalities in the district are accurate, credible, and aligned to policy writes Zama Soji, Key Expert for the Vuthela Public Finance Management Component.



Zama Soji, the Public Finance Management key expert at the Vuthela iLembe LED Programme

Free basic municipal services are those provided at no charge by the government to poor households. Including water and electricity, these services are provided by municipalities and include a minimum amount of electricity, water and sanitation that is sufficient to cater for the basic needs of a poor household.

The relief free basic services are only available to indigent households who qualify and meet the criteria as determined by municipal council on an annual basis. Municipalities subject all applications to means tests to determine whether households meet the criteria set by the municipality to qualify for indigent status. Municipalities are therefore expected to develop and maintain a credible register of poor households in their area of jurisdiction.

While municipalities are required to maintain a register of such households, the accuracy is still questionable. On an annual basis, municipalities experience difficulties when being audited by the office of the Auditor-General, where households benefit from free basic services, while they do not qualify.

Vuthela initiative

In supporting municipalities, the Vuthela iLembe LED Support Programme has implemented a project to design and develop an Automated Indigent Management System (AIMS) that will improve the indigent management status quo in the whole district and automate management of indigent registers; this is an upgrade from excel-based indigent registers. This has been done to ensure that registers of all municipalities in the district are accurate, credible and aligned to each municipality's Indigent Management Policy and Indigent Management Framework.

Vuthela appointed Revenue and Utility Management Solutions (Pty) Ltd (RUMAS) to assist with the implementation of this project which was completed in less than six months.

The project included the design, development and implementation of an AIMS to support indigent registers across the district.

The study area consisted of the iLembe District Municipality and the Local Municipalities of KwaDukuza, Mandeni, Ndwedwe, and Maphumulo.

The iLembe District Municipality is the designated Water Services Authority in its area of jurisdiction and therefore responsible for water and sanitation services. It provides bulk and reticulation water services (water and sanitation) to most of the residents within the district.

The KwaDukuza and Mandeni Local Municipalities are authorised and licensed providers of electricity, while Ndwedwe and Maphumulo Local Municipalities are Eskom-licensed areas. Eskom also services some of the areas in Mandeni. As part of the deliverables almost 26 000 indigent records have been assessed and vetted against external data sources.

Project Execution

The main objective was to upgrade from the manual excel-based indigent register, to an automated system

thereby resulting in:

- Accurate, and complete indigent register.
- Transparent approval processes of indigent applications.
- Accurate reporting on indigent communities in each municipality.
- Secured indigent management systems and processes.
- A centralised repository for indigent management information in the district.



Zama Soji, Vuthela, flanked by Francois Stander (left) and Kesvin Govender (right) of RUMAS.

As an added outcome it is envisaged that the process will promote collaboration and sharing of resources within the district. The following services were delivered as part of the appointment:

- Assessment of the project environment and tabling an inception report outlining status quo and project programme.
- Strengthening of the institutional framework of the municipalities – conducted workshops and individual meetings to assess structures as well as detailed assessment of the indigent policies of each municipality.
- Establishment of uniform processes across the district.
- Design, development and implementation of a district-wide indigent management software solution.
- Assessment of indigent data as well as vetting of data against external data sources.
- Training of users and municipal officials through one-on-one, workshop training as well as assistance during indigent campaigns.
- Maintenance and support of users of the system for all municipalities.

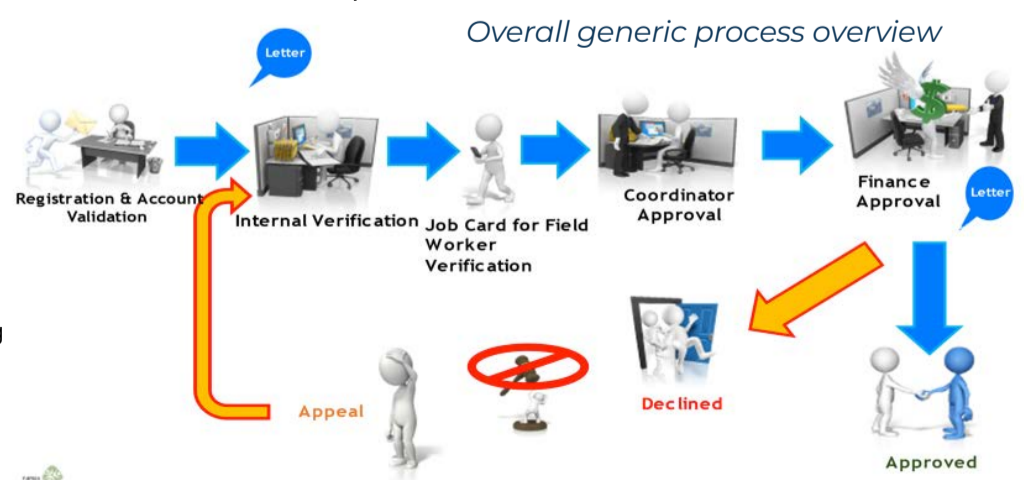
The project was executed in five distinct phases.

A major component of the strengthening of institutional framework phase was the review of the consolidated/standardised Indigent Policy. The policies were compared on 31 critical areas. It was found that it was not feasible to fully tightly align/consolidate all policies and therefore, the indigent management system was deployed at each site and aligned with each municipality's policy. An indigent management system was developed to consolidate data from all five municipalities.

Key findings

- The municipalities are unique in terms of their circumstances.
- Grant start dates are mostly aligned (1 July) except for iLembe District Municipality whose grant start date is as soon as the application has been approved.
- An important issue on which policies are silent is that commercial activity should not be conducted on-site.
- All policies do not specify that a service provider to the municipality cannot apply for indigency.
- Some policies do not specify that an employee of the municipality cannot apply for indigency – RUMAS suggests that the policy be reviewed to address this matter.
- The validity period largely differs between municipalities – from three months to 24 months. It remains the prerogative of the municipality, however it does increase the administrative burden to re-assess indigents at short intervals.
- Most of the applicants can apply throughout the year but approvals are ratified only once a year and the grant start date is only effective as from 1 July. RUMAS suggests that this be reviewed as applicants may wait as long as 11 months before grants are provided.

The diagram below shows the application process from start to finish.



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Automated indigent management system...

Status	KwaDukuza	iLembe	Mandeni	Ndwedwe	Maphumulo	Totals
Approved	8 082	1 247	1 345	527	6 624	17 825
Cancelled	26	0	0	0	1	27
Declined	2 353	0	0	0	0	2 353
Deregistered	1 231	0	0	0	0	1 231
Expired	623	0	0	0	0	623
In-Process	2 951	807	44	0	2	3 804
Grand Total	15 266	2 056	1 389	527	6 627	25 865

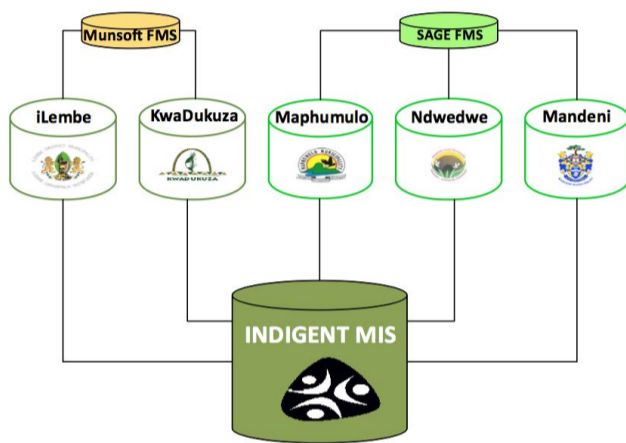
- The system caters for automated vetting against external data sources.
- Real-time reports can be exported into other formats i.e., PDF, MS Excel, MS Word, CSV.

Recommendations

The following recommendations are offered:

In terms of the data verification process, the table above provides an overview of the status of records on 17 July 2023 and at which stages they are in each municipality.

The diagram below provides a high-level overview of the data interfaces between the financial systems, the indigent management systems at each municipality and the AIMS.



Indigent module and system functionality

An overview of the functionality provided by the indigent management solution includes:

- IndiReg is an automated online indigent management system for both urban and rural consumer bases.
- The business solution has a robust Structured Query Language (SQL) database.
- The system is a secure, independent, encrypted database accessible via the internet and various platforms i.e. desktop (via fixed line), cell phone, 3G.
- The system enforces the relevant indigent policies.
- The system has a configurable business process catering for all steps from the registration of indigent households through subsequent steps until the household has been approved/declined for receiving subsidy grants.
- The solution makes provision for both online capturing and via handheld devices as well as manual capturing of data from job cards if the network/system is down.
- Supporting documents can be scanned/uploaded when capturing on a desktop.
- When capturing an indigent application on a mobile device, photos are automatically linked to the application.
- The system keeps track of the status of each applicant from their first application through different cycles of indigency.
- The appeal process functionality ensures that all applicants are treated equally and in accordance with legislation.
- The solution has configurable templates for field inspection/verification job cards, acknowledgment letters, and approval/decline letters.
- When configured, the system automatically sends instructions for field verification/inspections to handheld devices and receives data and photos taken in real-time.
- The software has strict security measures in place linking people to roles and then to certain rights such as reports and tasks in the software.

Develop Application Programming Interface (APIs) for data interfaces between the Indigent MIS and financial systems

The current data exchange is via files on a secured SFTP site (Secure File Transfer Protocol is a network protocol for securely accessing, transferring and managing large files and sensitive data) with access to authorised individuals to import the data.

It is recommended that APIs be developed as this is more secure and does not need constant human intervention.

Review of Indigent Policies

It is suggested that each municipality reviews their policy in detail, taking due cognisance of recommendations provided.

Closer collaboration between the district and local municipalities regarding campaigns

The indigent register could benefit greatly from more collaboration between the District Municipality and the Local Municipalities.

Ensure that ID numbers of account holders are always captured

During the execution of the assignment, it was discovered that the ID number field of an account holder was not mandatory in one of the financial systems. While there might be valid operational reasons, it is strongly recommended to always capture the ID numbers as it will affect the entire system. The external verification processes are also largely dependent on the correct ID numbers. Furthermore, without ID numbers in the financial system, information between the AIMS and the financial system cannot be correlated.

Consider shorter period between the indigent application and approval dates

As mentioned, except for the iLembe District Municipality, all grant start dates are on 1 July of each year. The implication of this is that an applicant (who is already needy) might have to wait 11 months (when applying in August) before receiving the much-needed grant, despite the fact that his/her debt might be written off at time of approval (which could be several months later). This is aggravated by the fact that credit control measures are not stopped on those who do apply for free basic services grants. RUMAS believes that this might demotivate applicants to apply.

Consider automated verification every 12 months instead of re-application

The KwaDukuza Council approved, in their latest Indigent Policy, clauses to the effect that indigents will be reviewed on an annual basis – either through physical audit or verification against external data sources. Should the requirements not be met, the subsidy for that consumer will be terminated with immediate effect. However, if requirements are still met, the grants will continue.

Continued maintenance and support beyond 30 June 2024

The maintenance and support services under the Vuthela contract span until the end of June 2024. Measures should be put in place to ensure support to the municipalities beyond this date.

Benefits to municipalities of implementing an Automated Indigent Register

The successful use of the system by municipalities will lead to a paperless application process, since this will be done using a sophisticated application called IndiReg, which is web-based and can be downloaded from the App store. Applicants will be verified using external platforms and only those who qualify as approved by the municipality will start to benefit. The system further consolidates all indigent beneficiaries' information on a centralised repository to be able to generate a district-wide or a consolidated indigent register, which can be viewed per municipality and per ward. This will assist municipalities to budget accurately and also be in a position to prioritise local economic development projects that will respond to poor household needs and reduce the level of poverty and unemployment in the particular area.

Interview with Kesvin Govender, CEO of RUMAS

Spark spoke to Kesvin Govender of RUMAS service provider.



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What were the project's key successes?

- The following are the key project successes achieved:
- o Closer collaboration between the district and local municipalities.
 - o Creation of a proper indigent database instead of MS Excel spreadsheets.
 - o Establishment of a credible district-wide indigent register.
 - o Transparent approval processes of indigent applications.
 - o Accurate reporting on indigent communities in each municipality.
- An added outcome is that the process will promote collaboration and sharing of resources within the district.

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New water asset data system to improve infrastructure services

Integrating technical, operational, and billing systems into one unified platform will bring substantial benefits for municipalities.

The delivery of water and sanitation services in the iLembe district is set to be enhanced with the recent implementation of an integrated asset management system.

The new system will enable the iLembe District Municipality to integrate its commercial and technical functions with the organisation's financial, GIS and fixed asset management systems. The system however can be expanded in the future to integrate with other municipal systems if necessary.

The system will be used for accurate mapping of infrastructure assets, development, implementation and operationalisation of maintenance procedures, analysing performance, assist in addressing non-revenue water (NRW), technical asset valuation, infrastructure rehabilitation, planning and enhanced customer care.

It is expected to improve the technical and financial sustainability significantly within the iLembe District Municipality once fully functional and operated by the officials.

The system was implemented under the Vuthela iLembe LED Support Programme as part of several initiatives to improve municipal infrastructure management and accelerate inclusive economic growth in the district.

The iLembe District Municipality services a customer base of more than 60 000 households who occupy a varied geographic area and have a wide range of income levels. Other challenges facing the district include ageing water and sanitation Infrastructure, and high levels of NRW resulting from both physical water losses and financial water losses.

Benefits

iLembe District Municipality will realise the following benefits once fully functional:

- An accurate technical asset register, well maintained and interfaced with the financial asset register.
- More effective emergency and crisis management.
- Effective proactive and preventive maintenance.
- Improved productivity and efficiency in operations and maintenance.
- Increased asset effective life.
- Improved NRW management – lower levels of NRW.
- Improved service delivery (pressures, quality, less breakdown time, response).
- Reduction of losses.
- Higher organisation creditworthiness.
- Enhanced compliance and transparency.

Addressing challenges

Asset Management expert Nicolas Savva, who headed the team implementing the system for EDAMS Technology, a division of Hydro-Comp, said the system is a comprehensive Utility Enterprise Management system covering all commercial and technical functions. It is integrated with the organisation's financial, GIS, fixed asset management and other systems and provides a coherent enterprise system solution for the modern utility for addressing these challenges. The EDAMS systems and modules implemented at the iLembe District Municipality are as follows:

- Data and network management
- NRW
- Asset rehabilitation and planning
- Maintenance



The Vuthela component project will be fully implemented over nine months and the software will be licensed and supported for two years, funded through the Vuthela Programme, thereafter for annual renewal by the iLembe District Municipality.

The deployment of the system involved initiating the conversion of existing spatial data on the water and sanitation infrastructure, configuration of the various components and extensive training on the EDAMS modules deployed.

The EDAMS Integrated Asset Management system and its various modules currently deployed at the municipality gathers, stores, and evaluates data on all water and sanitation infrastructure assets enabling the following:

1. Accurate technical asset registries for water and sanitation infrastructure.
2. Complaints management (in the form of a call centre); job scheduling, maintenance workflows, and business processes; work order management; scheduling of preventative, proactive and routine maintenance programmes; and analysis and management of maintenance records.
3. Manage and evaluate readings/instantaneous measurements and/or period logs taken from any asset.
4. Efficient monitoring and control of bulk meters and operational data.
5. Manage water demand zones/district metered areas (DMA) to reduce inefficiencies; ensure proper service delivery (water quantity and pressure); formulate water conservation plans with the main objective of reducing NRW; and ensure procedures and required reporting for compliance with regulations.
6. Accurate condition and importance assessments for any type of infrastructure asset.
7. Accurate infrastructure asset valuation determines the current price and maintenance (total cost) of ownership, evaluates the remaining useful life of assets, and evaluates the actual cost performance of the assets.
8. Rehabilitation planning including (a) importance and risk assessment, (b) asset categorisation, (c) assessment of useful lives, (d) rating and ranking assets, and (e) budgeting.

The municipality can expect to increase the effective working life of its assets, improve service delivery and reduce physical and financial losses from its water and sanitation services. In turn, revenue is increased that can be re-invested to maintain and operate the existing assets and plan for new infrastructure development.

The system was developed by EDAMS Technology, a division of Hydro-Comp, an international company which is active in over 20 countries. Nelson Mandela Bay Municipality, Bitou Municipality, Silulumanzi and Siza Water use the EDAMS software in South Africa.



Interview with Nicolas Savva, Asset Management Expert, EDAMS Technology

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Spark spoke to Nicolas Savva of EDAMS Technology service provider.



Nicolas Savva

What were the key successes in implementing the system?

One of the major achievements was the successful deployment of the main EDAMS Network Data Management (NDM) system, which is now operational at the iLembe District Municipality. The system's successful adoption across multiple departments marks a significant achievement.

What's noteworthy is that all our EDAMS modules are

integrated, creating a unified system that connects to a single database thus saving considerable costs that are typically associated with such integrations when multiple standalone systems necessitate connection with each other. A significant accomplishment was the completion of multiple comprehensive training sessions and workshops, involving multiple municipal departments, enabling efficient management of various municipal functions.

With the training completed and the EDAMS systems already deployed, the municipality can expect a return on their investment very soon.

What were the main challenges?

Despite the successes, the implementation journey was not without challenges.

A notable challenge was on the systems deployment method (cloud or local hosting) which took the municipality approximately four months to finalise.

Additionally, finding common availability of all the people involved in the training sessions posed a challenge due to the required participation of personnel from many different departments.

Ensuring consistent user engagement and cooperation across various units presented some difficulties. Moreover, adapting existing workflows and processes to align with the system's requirements required significant effort.

What were the key learnings?

The implementation process provided valuable insights.

Securing the support and commitment of senior management throughout the entire process is crucial for achieving success.

The implementation of such a comprehensive system extended across the entire municipality, from the ICT department, GIS, financial services, and in general to all service-providing departments. This requires a high level of coordination and collaboration between individuals and different departments.

What needs to be done going forward to ensure that the system works effectively?

To ensure the system's continued effectiveness, a few measures need to be taken. First and foremost, maintaining a culture of commitment and support from senior leadership is imperative.

Equally important is capacity building and knowledge sharing, ensuring that existing system users can also provide ongoing training for new system operators, accompanied by the already provided comprehensive technical manuals for future reference.

Moreover, regular assessments of system performance and feedback collection will aid in identifying areas for improvement.

Implementing a change management strategy is highly advisable to facilitate a smooth adaptation to the new system.

Lastly, proactive exploration of opportunities for system expansion and integration with related software will contribute to its long-term success.

Maintaining a culture of commitment and support from senior leadership is imperative to ensure the system's continued effectiveness.



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Interview with Kesvin Govender, CEO of RUMAS

What were the main challenges and obstacles that had to be overcome?

The main challenges are outlined below:

- o Approval processes of indigent (especially timing thereof) is done differently in different municipalities – aligning the indigent management process to other processes within the municipality will take some time.
- o Finding the balance of attention/involvement of top management between indigent management and other managerial tasks – since the senior management seems to be overloaded with other tasks.
- o Institutional challenges – senior personnel acting in quite a number of positions as well as the fact that the positions are rotated tends to deflect attention and focus to the most pressing issues at that time.
- o Each municipality has its unique circumstances and challenges – therefore policies had to be carefully studied and the system had to be implemented at all municipalities.

What are the key learnings for the future application of such projects?

The following key aspects, amongst others, are offered, based on the lessons learnt on the Vuthela project:

- o Balancing project initial objectives (set at procurement stage) with the status revealed during the inception analysis will always remain a factor to be reckoned with.
- o Although collaboration between the district and local municipalities could go a long way, it is preferable to have permanent joint structures at different levels to manage indigents across the municipalities.
- o A uniform approach should be followed in vetting data against external databases and this should all be aligned to national guidelines.

What are the benefits for indigent households?

In general, the following key benefits are the focus of indigent programmes:

- o Ensuring that the poor households have access to free basic services.
- o Transparent and uniform indigent processes across the district.
- o Fair vetting processes applied across the district.
- o Streamlined processes decrease waiting time on feedback on indigent applications and therefore benefits could be received quicker.

What are the benefits for municipalities?

The system benefits the municipalities in the following ways:

- o Minimises indigent registration fraud.
- o Maintains a database and cross-models it to external sources.
- o The system interfaces with a municipality's financial system to determine whether or not an applicant has previously been registered in the system.
- o Reduces manual capturing of information by field workers.
- o Decreases waiting time on feedback on indigent applications.
- o Automates indigent approval processes, reducing unnecessary administration and leaving more time to support indigent households.
- o Effective management of indigent grant programmes.

How does this system contribute to addressing poverty?

The system functionality will contribute in the following ways:

- o Improved access to free basic services – the system is

designed to ensure that the indigent households receive the necessary support and services they require.

- o Proper communication (the system has a built-in SMS message sub-module) ensures that all eligible households are aware of and can access the benefits.
- o Streamlined and automated processes decrease waiting time before approval of applications and therefore free basic services benefits could be received quicker.
- o The system records qualifications and experience of household members which could assist in identifying resources for future projects, thereby addressing poverty in another way.
- o Beneficiaries/new applications on the indigent register are authenticated in line with the current indigent policies – erroneous indigents will be identified and removed from the municipality's existing indigent register thereby leaving funds for the really needy.

What is the overall relevance of the project for other municipalities?

Indigent management is required by law and therefore not discretionary. In addition, the following important aspects serve as further motivation:

- o National reporting will be aligned and uniform.
- o District-wide indigent management uniformity.
- o The district is a water services provider whereas the local municipalities provide the rest of the services, except in some cases with Eskom providing electricity. Cost savings are realised i.e. due to no need to do vetting of data of an applicant on his/her application at the different utility service providers. In addition, cost savings will be realised on administrative tasks and other verification activities.
- o Ensuring no duplicate indigent applications in a district.





WHAT IT IS ABOUT

The Vuthela iLembe LED Programme responds directly to the urgent need to address unemployment, poverty and inequality by accelerating inclusive local economic development and growth in line with the National Development Plan, the KZN Provincial Growth and Development Plan, iLembe District Municipality Growth and Development Plan as well as the Integrated Development Plans of the family of local municipalities in the district.

OBJECTIVES

The overarching objective and expected impact of the programme is to contribute to the improvement of the economic future of the iLembe District and the quality of life of its inhabitants, through sustainable growth of the local economy, and the creation of higher, better and more inclusive employment and income generating opportunities.

STATUS OF PROJECTS

Of the 44 contracts, 32 (73%) have been completed, five (11%) are in implementation, two (5%) are subject to transfer to municipalities and five (11%) have been formally withdrawn.



WHO ARE THE PARTNERS?

The Vuthela iLembe LED Programme, is a joint initiative of the State Secretariat of Economic Affairs of the Swiss Confederation, the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs, the iLembe District Municipality, and the KwaDukuza and Mandeni Local Municipalities. The programme includes participation of the Ndwedwe and Maphumulo Local Municipalities.

THE FIVE INTER-RELATED COMPONENTS OF THE PROGRAMME

- ▶ **Public Finance Management** - strengthening the financial position of municipalities through better capacity to plan, finance and manage infrastructure investments and the provision of public services.
- ▶ **Municipal Infrastructure** - improved planning and access to infrastructure services for development investment, effective and efficient service delivery, and sustainable growth.
- ▶ **Private Sector Development Component** - Address obstacles to doing business in the district by improving the regulatory environment and supporting skills development; greater investment in and growth of Small and Medium Enterprises, leading to increased employment.
- ▶ **Building Inclusive Growth Component** - inclusive and sustainable growth and employment interventions to support SMEs in growth sectors.
- ▶ **Programme Management, Partnership and Co-ordination Component** - sustained partnerships and capacity for local economic development in the iLembe District, and the replication of the approach in policy elsewhere in South Africa.

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