

Business Plan and structure of the MIG-Cities Programme Management Unit (PMU)

Item B-RT (05-2009) MC 17/09/2009	IS: (2010 AND SPECIAL PROJECTS) (2009/07/009): MUNICIPAL INFRASTRUCTURE GRANT (MIG) REVISION OF THE APPROVED BUSINESS PLAN AND PMU STRUCTURE
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RESOLVED:

1. **That** the revised Business Plan and the PMU structure of the MIG-Cities Programme Management Unit **BE NOTED**.
2. **That** the revised Business Plan and the PMU structure of the MIG-Cities Programme Management Unit **BE APPROVED**.
3. **That** the operational budget for the MIG-Cities Programme Management Unit **BE APPROVED**.

IS: (2010 AND SPECIAL PROJECTS) (2009/07/009): MUNICIPAL INFRASTRUCTURE GRANT (MIG) REVISION OF THE APPROVED BUSINESS PLAN AND PMU STRUCTURE

PURPOSE OF THE REPORT

The purpose of the report is to seek the Council's approval for the revised Business Plan and the PMU structure as well as the operational budget for the MIG-Cities Programme Management unit. Once the approval of the funds has been attained this approval will be sent to National DPLG for their approval.

RECOMMENDATION

4. That the revised Business Plan and the PMU structure of the MIG-Cities Programme Management Unit BE NOTED.
5. That the revised Business Plan and the PMU structure of the MIG-Cities Programme Management Unit BE APPROVED.
6. That the operational budget for the MIG-Cities Programme Management Unit BE APPROVED.

BACKGROUND AND MOTIVATION

The Programme Management Unit (PMU) was formulated in 2004 as a requirement from National Department of Provincial and Local Government (DPLG) to manage MIG funds within the Municipality.

The unit's function was around the Municipal Infrastructure Grant (MIG) programme to;

1. Co-ordinate the Departmental MIG budget and ensure that all the MIG funds are fully utilized by the end of the financial year.
2. Assist in the capturing of business plans for registration by the province, sector Departments and DPLG.
3. Monitor the implementation of projects to ensure that they adhere to MIG requirements.
4. Ensuring that projects are implemented, where possible, labour intensively and training is done on the projects.
5. Prepare Monthly, Quarterly ad-hock and annual reports on the programme to relevant Departments.

Most of these duties will be reduced due to the introduction of MIG-Cities that began in April, 2009.

Attached **Annexure "A"** explains changes that are required within the PMU in order to allow it to deal with the new issues.

The new MIG-Cities programme was introduced to all the Metros with the intention to allow the Metros to plan in a better way with few restrictions on the fund. There will

be no need to register the projects and there will be less reporting as most of the reporting will fall under normal Municipality processes.

During his speech, the president of South Africa indicated that five hundred thousand jobs will be created by the end of this year. EPWP will be used extensively to ensure that this will materialize.

Ekurhuleni needs to drastically engage in the strengthening of EPWP management. PMU will deal with the assurance of the implementation of the programme especially with respect to infrastructure projects.

There are funds that the Municipality can tap into as long as there is compliance with the implementation of EPWP. The planning, implementation and reporting on EPWP will therefore need to be strengthened in order for the Municipality to qualify for these funds. Funds are available as an incentive to the Municipality and the only condition to get them is the jobs created by the Municipality. The Municipality can then use the funds for whatever purpose or need that can be identified.

The Manager will therefore be needed to strengthen the EPWP section and deal with the issues around the programme on daily basis.

The issue of cell phone allowance and the car allowances for the Executive Manager, Manager and the Project Monitors should also be dealt with as outlined in **Annexure "A"**.

Operational funds for the PMU will be sourced from the MIG-Cities funds where, as per MIG programme the Metro can use 0.5 – 5% of the programme budget to a maximum of R3,5m to run the PMU.

ANNEXURE A**PMU REVISED BUSINESS PLAN****BACKGROUND**

It is the purpose of this document to indicate how the Ekurhuleni Metropolitan Municipality purposes to effectively and efficiently manage the Municipal Infrastructure Grant for Cities (MIG Cities) and the linkage with EPWP.

With the change of the implementation processes from MIG to MIG-Cities, the management of the programme will also change, calling for the amendment of the unit's structure and function, hence the revision of the Project Management Unit (PMU) business plan.

Though Expanded Public Works Programme has been implemented in Ekurhuleni, there is need to have more concentrated efforts towards the programme to ensure that enough jobs are created by the Metro to qualify for the grant made available by the Department of Public Works. The PMU originally concentrated the efforts on the management of the MIG funds. With the grant changing to MIG-Cities, most of the fund management duties will fall off. This will allow the PMU to look more closely into EPWP.

As an example the City of Johannesburg and Ethekweni received up to R 88 m due to their performance on EPWP. Ekurhuleni has the capacity to receive a portion as well depending on the efforts that can be put into the programme. These funds would be available for the municipality to utilise for any purpose within the Municipality. The PMU can therefore be the main catalyst in ensuring that requirements are met with regards to the EPWP.

The function of the unit will be:

- Ensure the integration of the MIG-Cities Programme within the framework of the Municipality's pre-existing Integrated Development Plan.
- Ensure the alignment of the approaches and processes of MIG-Cities to those of existing infrastructure programmes.
- To assist departments in the identification of Expanded Public Works Projects. Ensure adherence to labour intensive objectives as required by Department of Public Works.
- Collecting and compiling data for all EPWP projects within the Municipality.
- Monitoring of projects to ensure alignment with the EPWP requirements.
- Coordination with Provincial and National EPWP coordinators and ensuring reporting on key performance indicators (KPIs).

MIG-CITIES ALLOCATIONS / DISBURSEMENT ARRANGEMENTS

The MIG-Cities was established with the intention to reduce the unnecessary activities within the MIG programme which at times caused delays in the implementation. Such activities include project registration and project monitoring which was done per project by National Department. The metro will now be monitored per programme not project. Monitoring will also be more based on the outputs rather than inputs.

There will be no Monthly disbursements as per previous MIG programme hence reduction in reporting requirements.

All these implicate that there will be less need for staff on financial and project registration issues. Most of the staff will be working on monitoring and ensuring adherence to EPWP procedures and processes.

SCOPE OF WORK OF THE PMU

The PMU will be responsible for the following key functions at an operational level:

1. Financial Management

The PMU will be responsible for the administration and financial management of MIG-Cities funds, within the Municipal and National accounting systems for the infrastructure projects within the municipality.

2. Programme / Project Management

The PMU will be responsible for:

- Monitoring that all projects meet overall planning objectives and specific key performance indicators as determined by the National MIG unit.
- The coordination of regular progress meetings at local level and the presentation at the National Progress meetings.
- Project implementation process to ensure labour intensiveness and training where possible.

3. Monitoring Database

The PMU will be responsible for the management of the monitoring database and the preparation of all necessary reports to municipal and relevant Provincial and National Departments.

The data that the PMU keeps on the system is far behind at the moment due to the fact that there is backlog information that needs to be completed. There is need to get into the old files and finance system to get historic information. There will therefore be need to get a consultant to assist with this information.

4. Project Monitoring and Evaluation

The PMU will be responsible for:

- Socio-economic impact assessments detailing how the MIG-Cities programme has impacted on the communities and municipalities in terms of; skills development, community involvement, municipal partnership, local economic development and how the lives of the communities are improved.
- Facilitation of backlog studies and environmental impact assessment of projects when necessary.

PROJECT BASED CAPACITY BUILDING

The PMU will be responsible for the co-ordination of project-based capacity building and developmental initiatives within MIG-Cities requirements.

The capacity building component of MIG-Cities is only concerned with projects and the arrangements relating to the effective delivery of municipal infrastructure and will be targeted in the following manner:

Initiative		
Project level	Project implementation	The community will be trained through the projects by involving them on the project planning and construction. The municipality initiative of small contractor development will also be pulled in.
	Operation	The community based organisations, SMMEs or individuals will be identified for training on future operations and maintenance where necessary
Programme	Project implementation	Where there is a need for official staff to be given internal or external training, in order for the programme to succeed this will be done.

PMU STRUCTURE

STAFF STRUCTURE AND COSTING

Part of the PMU will be funded through the MIG grant allocation made to the municipalities subject to 0.5-5% of the allocation and not exceeding R3.5m. All measures were taken into consideration to ensure the cost effectiveness of the PMU.

The PMU will be responsible for the services scoped out above and will get strategic and policy guidance from the Municipal, Provincial and National structures that are related to the programme. These include and are not limited to National treasury, Provincial Programme Management unit, National Programme Management unit and EPWP Management structures.

The following schedule reflects the personnel required resource the PMU and the appointments will be done on the basis as indicated below.

The personnel composition is representative of a fully inclusive PMU team, which could change depending upon the capacity constraints within the municipality from time to time.

RESOURCE DESCRIPTION	EMPLOYMENT STATUS	STANDARD HOUR / MONTH	CHARGE OUT RATE / HOUR	TOTAL BILLING / MONTH
PMU Manager	Full time	Municipal Employee		
Secretariat	Contract	8 hrs	R 10 700	R139 100
Manager	Contract	8 hrs	R 26 200	R340 600
Technicians/Monitors	Contract	8 hrs	R 15 100	R196 300 x 3
Assistant Administrator	Contract	8 hrs	R 11 800	R153 400
Data capturer / Reporting	Contract	8 hrs	R 11 800	R153 400
Total				R1 375 400

Over and above the salaries as indicated, the manager and the project monitors will need to be given annual car allowance of R120 000 and R76 000 respectively.

A cell phone allowance of R500, R400 and R300 per month will also have to be given to the Executive Manager, the Manager and the project monitors respectively.

STAFF OPERATIONAL RESPONSIBILITIES / OUTPUTS

PROJECT MANAGER

- The project manager will coordinate, project manage and financially administer the MIG-Cities in his area of jurisdiction.
- Liaison with the provincial and Senior MIG Manager as well as other line function departments through formal regular evaluation / progress meetings and on an ad hoc basis.
- Submission of regular ad hoc reports as determined in applicable legislation or required by MIG Management Unit.
- Responsible for the management of the PMU unit and their respective outputs.

SECRETARIAT

Do all the secretarial duties as required by the project management unit.

MANAGEMENT EPWP

- Coordinating EPWP projects within the Municipality.
- Assist Departments to identify projects to be implemented using EPWP guidelines.
- Compile all information brought as collected by the project monitors and prepare reports for the EPWP programme.
- Arrange monthly meetings with Departments to ensure compliance.

TECHNICIAN / MONITORS

- Project-manage the labour intensive projects in line with the EPWP framework and the related requirements.
- Arrange regular project progress meeting.
- Ensure compliance of all legal aspects and conditions required from the different spheres of government.
- Conduct site visits / meetings to ensure compliance with national conditions.

ADMINISTRATION

Administration duties will be performed through the normal Municipality structures which include:

- Administrative duties required by the PMU team.
- Processing of related correspondence and assistance in report generation.
- Data audits.
- Register maintenance: site-visit reports, etc.

DATA CAPTURER / REPORTING

- Manage and maintain the National monitoring database.
- Liaise with the provincial and National specialists on related issues.
- Provision of quality control of data.
- Manipulation of data for the preparation of all necessary reports to the municipal and the relevant provincial and national departments.

IMPLEMENTATION PHASE

STAFF APPOINTMENTS

All staff has been appointed except for the manager whose post will be advertised by the municipality.

OFFICE ENVIRONMENT AND EQUIPMENT

There will be extra furniture required. The already purchased furniture will not cater for all the staff including the new staff to be appointed. There will be need to get two laptops and two extra computers for the unit.

IMPLEMENTATION OF MIG MANAGEMENT SYSTEMS

The MIG management system developed by National MIG managers will be established within the municipal systems by the PMU National, who will advice the municipalities as to when this will be implemented, will coordinate all the required systems. The time frames for this will depend solely on the finalisation of the systems by National DPLG.

CONCLUSIONS

GENERAL

It is the intention of the municipality to serve the community and ensure that the backlog is eradicated in as far as provision of basic services.

FINANCIAL SUMMARY

Funds to be utilised from the MIG management fees:

Salaries	=	R1 375 400
Travelling allowance	=	R 348 000
Cellular Phone allowance	=	R 21 600
Update date on MIS (Consultant 12 months contract)	=	R1 400 000
Furniture	=	R 150 000
Laptops, Computers and Electronic Accessories	=	R 100 000
Stationery	=	R 50 000
Conference, Meetings & workshops	=	R 30 000
	TOTAL	<u>R3 475 000</u>

KEY MIG OUTCOMES PARTICULAR TO EKURHULENI MUNICIPALITY

Ekurhuleni will through the MIG programme be able to eradicate quite a considerable backlog and provide jobs through EPWP.

IMPLEMENTATION TIMELINE:

The PMU in Ekurhuleni is fully operational. The operations will continue into the MIG-Cities programme and the PMU activities will expand widely into the implementation of Expanded Public Works Programme.

PMU STRUCTURE

