

## PART 2: KPA ACHIEVEMENT REPORT

### Chapter 1: Human resource and other organization management

#### 1.1. Overview

The focus of the Directorate of Corporate Services is to create an enabling environment through the provision of effective and efficient support services to all business units within Buffalo City Municipality (BCM).

#### Activities of the Directorate

- Effective management of human resources in order to ensure the transformation of skills development and employment equity.
- The provision of effective management of an administration system that is efficient and facilitates decision-making and service delivery throughout Buffalo City Municipality.
- The assurance that the support system, e.g. IT, , telecommunication etc., are used and enable the implementation of the Integrated Development Plan.

The Directorate of Corporate Services consists of three departments namely:

- Human Resource Department:** is responsible for the provision of strategic human resources support to all council business functions, people development and to ensure the maintenance of sound labour relations. The Human Resources Department consists of three sub-divisions, namely Personnel, Labour and Organisational Development.
- Organisational Support Department:** the purpose of this department is to provide administrative, logistical, operative, telecommunication and information management support to the Municipality and consist of three sub-divisions. The first, being the Auxiliary and Telecommunication Support Unit, which provides office, administrative and telecommunication support to the organisation. The second is the Administrative and Council Support unit, which provides secretariat and related support services to the municipality and council committees. The third is the Information Management and Technology unit. This unit is responsible for providing information management and technological support services.
- The Internal Audit Department:** this department reports operationally to the Audit Committee and functionally to the Director of Corporate Services and is responsible for internal auditing, review of risk management activities as well as the review of forensic investigations. It also offers advisory services and deals with issues of corporate governance.

### 1.2. Presentation of the organizational structure (attached as Annexure 2)

BCM has an organizational structure which is aligned to the IDP and is continuously reviewed in order to ensure operational effectiveness. The organizational structure comprises of a total of 5025 funded posts. Of these funded posts, 450 are vacant as at 30 June 2010. BCM has an office for the Municipal Manager and 8 Directorates. The Municipal Manager and Directors have all signed performance agreements and contracts which have been submitted to the DPLG, as required.

### 1.3. Staff development initiatives during the Financial Year

The following statistics reflect the staff development initiatives that occurred during the 2009/10 financial year:-

a)

Category	Number of Interventions	No. of People Trained
Directors & Managers	2	47
Professionals	23	144
Technicians & Trade Workers	31	275
Community & Personal Service Workers	11	315
Clerical & Administrative Workers	24	255
Machine Operators & Drivers	7	105
Labourers	12	323
<b>Total No of Employees Trained</b>	<b>110</b>	<b>1464</b>

b)

Target Employment Category	Course Name	Skills Priority Area
Directors & Managers	Employment Equity Training: Training of Training Committee Certificate Programme in Management Development (CPMD)	Management/ Leadership Financial
Professionals	Labour Law Principles of Management Municipal leadership Development Performance Management Organisational design and development training ICDL Project Management Handling of disciplinary enquiry	Management/ Leadership Management/ Leadership Management/ Leadership Specialist skills required by legislation Project Management/ planning Computer literacy Project Management/ planning Corporate, legal & support



Target Employment Category	Course Name	Skills Priority Area
Technicians & Trade Workers	Practical Labour Law Crane Truck Training Water and wastewater AllyCad & IT management Train the trainer Supervisors Team Leader Assessor Training Training of mentors/ coaches Train the trainer / assessor/ moderator Facilitation Skills and SDF Labour law update	Management/ Leadership Specialist / Technical Specialist / Technical Specialist / Technical Training Skills Life Skills Training Skill Training Skill Training Skills Training Skills Training Skills Corporate, legal & support
Community & Personal Service Workers	Health Management Training Fraud and forensic investigation Peace officer's training  Basic Ambulance Course    Traffic Officer Training	Specialist skills required by legislation Corporate, legal & support Specialist skills required by legislation Social/ community/ economic development & planning Social/ community/ economic development & planning
Clerical & Admin Workers	Municipal Finance Management Auditing & Budgeting Supply Chain Management Secretarial course Office Admin Local Government Admin  MS Word, Excel, Powerpoint (all levels) Access, Email, internet Customer Care Business Process Management Business Writing Skill / Report Writing Finance for non-financial managers	Financial  Financial Financial  Administration Administration Specialist skills required by legislation Computer literacy  Computer literacy Client Service Administration  Administration  Life Skills



Target Employment Category	Course Name	Skills Priority Area
Machine Operators & Drivers	Handling of machinery/ equipment	Life skills
	Safety Reps	Life Skills
Labourers	Financial Life Skills	Life Skills
	Chainsaw	Social/community/ economic development and planning
	Labour intensive construction	Social/community/ economic development and planning
	Training on cleaning services	Social/ community/ economic development & planning
	Cleaning Skills	Social/ community/ economic development & planning
	First Aid Handling of dangerous goods	Life Skills Social/ community/ economic development & planning

#### 1.4. Key HR statistics per functional area

The following information is provided as at 30 June 2010

1.4.1. re the Municipal Manager and Section 57 posts:-

	Approved positions (e.g. MM-Sect 57 etc.)	Number of approved budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	1		1
2	Chief Financial Officer	1		1
3	Director: Corporate Services	1	1	
4	Director: Engineering Services	1	1	
5	Director: Planning & Economic Development	1	1	
6	Director: Community Services	1	1	
7	Director: Executive Support Services	1	1	
8	Director: Health & Public Safety	1		1
9	Chief Operating Officer	1	1	



#### 1.4.2. Technical staff registered with professional bodies

Technical Service (e.g. water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
Environmental	2	N/A	N/A	2
City Planning	1	1	0	0
City Planning (LUMS)	18	6	1	11
City Planning (Set. Planning)	2	2	0	0
City Planning (For. Planning)	3	1	1	1
Architecture	12	5	0	7
Survey Technicians	3	3	0	0
Land Surveyors	3	3	0	0

#### 1.4.3 Levels of education and skills

Total number of staff	Number of staff without Grade 12 NQF 1 TO NQF 3	Number of staff with Senior Certificate only NQF 4	Number of staff with Tertiary/accredited professionals training NQF 5
4575	2322	804	980

#### 1.4.4 Trends on total personnel expenditure

Financial years	Total number of funded posts	Total approved operating budget	Personnel expenditure	Percentage of expenditure
2007/08	5014	1,757,087,719	589,588,497	33,55
2008/09	4 956	2,138,759,495	659,247,385	30,82
2009/10	5025	3,670,959,710	794,449,415	21,65



#### 1.4.5 List of pension and medical aids to whom employees belong

Name of pension fund	Number of members	Names of Medical Aids	Number of members
Cape Joint Pension Fund	48	LA Health	539
Cape Joint Retirement Fund	2326	Bonitas	1272
MEPF	113	Keyhealth	225
GEPF	93	Samwumed	392
SAMWU	1036	Hosmed	129
SALA	44		
ECLA	620		
LGPF	27		
Orion	0		
Liberty Life (ELM Provident Fund)	270		
Sanlam	25		
<b>Total</b>	<b>4575</b>	<b>Total</b>	<b>2557</b>

#### 1.5. Senior officials' wages and benefits

Municipal Manager's total package as at 30 June 2010: - R 1 338 093.00.

Directors (Section 57 employees) total package as at 30 June 2010:- R 1 070 484.00 p.a. per person.

#### 1.6. Implementation of the Performance Management System (PMS):

##### Background

Integrated Development Planning, Budgeting and Performance Management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area.

Performance Management is a strategic approach through which the performance objectives of the Municipality are identified, defined, translated into business plans and cascaded into individual scorecards allowing for regular planning, monitoring, evaluating and reviewing of performance at both organisational and individual levels, effectively responding to inadequate performance and recognising outstanding performance.

Performance Management fulfils the implementation of the Integrated Development Plan. The performance of an organisation is integrally linked to that of its staff. It is critical and important for any organisation to periodically review its own performance as well as that of its employees. In order to comply with legislation and to improve on good governance and service delivery it is essential for municipality to adopt a policy on Institutional and individual performance management. On the 28 August 2007 Council approved Framework for Institutional Performance Management. The Framework contains an annual work plan with processes to be followed in developing and implementing Performance Management.



Chapter 6 of Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), requires local government to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP);
- Publish an annual report on performance management for the councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government;
- Conduct an internal audit on performance before tabling the report;
- Have the annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

Institutional challenges that hinder the implementation of PMS:

- No clearly defined performance objectives of the municipality, the six BCM overarching objectives are too broad therefore difficult to translate into institutional scorecards, SDBIP and cascade to individual scorecards;
- Lack of regular monitoring and evaluation which are management tools that assist in the observation or verification of project/program and activities to ensure that they are progressing according to plan and resources are used efficiently and effectively. Evaluation which further assist to determine the value of the fulfilment and impact;
- Individual performance management is not formalized, there is no policy and is not in operation;
- Lack of integration between formal reporting and reporting to communities, e.g. performance is reported quarterly in addition to that, political leadership should also report to communities regularly on municipal performance;
- Lack of integrated municipal planning and reporting on basic services;
- The misplaced notion that performance management is primarily about the payment of bonuses – this is arguably the single biggest factor that has hindered progress; and
- The lack of continuity in both political leadership (e.g. the Executive Mayor is ultimately responsible for the performance of the institution) and senior management (prolonged absence of a municipal manager and high turnover of senior management) has contributed significantly to the non-alignment and misunderstandings with regard to the objectives of performance management.

Performance Management action plan:

- Given the challenges stated above, progress in the mainstreaming and cascading of the PMS can only take place through the implementation of a change management exercise in BCM;
- Feedback from Internal Audit and Audit Committee should be implemented on an ongoing basis;
- Review of Delegation of authority with regard to development of IDP and PMS;
- Strengthening the process of regular reporting to the Council, other political structures, political office bearers, staff of the municipality, the public and



- appropriate organs of state;
- Ensuring the involvement of community in setting of KPI's and targets;
- Integrating risk management strategy within PMS processes; and
- Capacitate managers on IDP/PMS processes.

### 1.7. Annual performance as per KPIs in municipal transformation and OD

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	5 075	4 575	90%	Difficulty in filling due to scarce skills
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	9	6	66%	MM's position still vacant CFO & Dept. Health & Public Safety positions vacant
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	6	1	16%	The remaining management will be training by NMMU 2010/11
4	Percentage of Managers in Technical Services with a professional qualification	361	361	100%	
5	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	4575	1233	26%	Most of BCM staff do not take serious the issue of skills audit as such departmental task teams have been formed to address this challenge.
6	Percentage of councillors who	81	80	99.89%	Non-availability of





	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	attended a skill development training within the current 5 year term				councillors due to council commitments
7	Percentage of staff complement with disability	33	31	94%	Resignation of two employees with Disabilities
8	Percentage of female employees	1647	1647	100%	

### 1.8. Major challenges and remedial actions with regard to HRM.

- **Recruitment of certain categories of staff**

Due to the scarce skills situation facing the entire country, BCM has struggled to recruit certain categories of staff, specifically technically orientated posts such as:-

- **Financial** – City valuers, Accountant interns, Senior Accountants;
- **Engineers** – Senior Technicians, Technicians across all specialisms, such as water, electrical, civil engineering as well as engineers with degrees as opposed to a diploma;
- **Artisans** – particularly Senior Artisans such as plumbers, welders, mechanics, and operations supervisors;
- **Town planning**- such as civil engineers, town planners, draughtsman, land surveyors, qualified architects;
- **Health Practitioners** – such as professional nurses, chemical technicians, pharmacists and HIV/AIDS specialists

In order to address this situation, BCM has developed a Talent management strategy, which has identified recommended the following:-

- Payment of **Professional Registration** for the scarce skills categories. This would encourage staff to maintain their professional status. This would go together with ensuring Continued Professional Development (CPD) for the professionals;
- **Training and Development** plan for scarce skills categories to address CPD and allow for interaction with professional colleagues. Interaction could be in the form of seminars, workshops and conferences, to mention a few;
- **Scarcity Allowances or bonuses** to be considered for specific occupational groups or scarce jobs or skills categories of employees. **For example:** the City of Cape Town has guidelines in this regard in place, and the Free State Province provides for a 10% scarcity allowance when advertising relevant posts.



- **Implementation of Job Evaluation**

Implementation of this project which is run by the South African Local Government Bargaining Council (SALGBC) has been delayed due to the non-finalization of a wage curve setting out the monetary amounts linked to each post level. An agreement was signed at a national (SALGBC) level with both unions on 21 April 2010 with regards to the categorisation and job evaluation wage curve. Job evaluation results are expected to be implemented as from the 1<sup>st</sup> July 2010 for all evaluated jobs, including those for which appeals have been lodged and any amendments resulting from appeals will be implemented in due course.

