

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

The Organizational Development Section is a key transformation agent dealing with the structure of the Municipality to ensure that it remains aligned to its strategy, job evaluation process and change management philosophy. Organisational Development is placed as a separate section in the Human Resources Department.

T 4.0.1

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year - 1. NB	2012/2013			
	According	Approved	Employees	Vacancies	Vacancies
	Employees	Posts	Employees	No.	%
	No.	No.	No.	No.	
Water		399	345	54	
Waste Water (Sanitation)		443	394	49	
Electricity		328	269	59	
Solid Waste Management Services		681	622	59	
Housing		34	32	2	
Roads		253	221	32	
Transport		67	55	12	
Local Economic Development		9	7	2	
Arts and culture		234	213	21	
Environmental Services		431	396	35	
Health		32	32	0	
Public Safety		355	334	21	
Amenities		311	282	29	
HR AND ICT		99	88	11	
<b>Totals</b>		<b>3,676</b>	<b>3,290</b>	<b>386</b>	<b>0</b>
<i>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.</i>					T 4.1.1

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Vacancy Rate: Year 2012-2013			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	8	3	37.50
Other S57 Managers (Finance posts)	1	0	0.00
Police officers	67	8	11.94
Fire fighters	94	3	3.19
Senior management Levels 13-15 (excluding Finance Posts)	89	16	17.98
Senior management Levels 13-15 (Finance posts)	7	1	14.29
Highly skilled supervision: levels 9-12 (excluding Finance posts)	462	67	14.50
Highly skilled supervision: levels 9-12 (Finance posts)	41	7	17.07
<b>Total</b>	<b>771</b>	<b>105</b>	<b>13.62</b>

Note: \*For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

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Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2010/2011	4595	235	5%
2011/2012	4412	270	6%
2012/2013	4374	291	6.65%

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## COMMENT ON VACANCIES AND TURNOVER:

BCMM is currently undergoing an organisational restructuring exercise so as to align its function and structure with its role as a metropolitan municipality. As a result, several Senior Manager posts remain vacant. However, the critical posts of the City Manager and Chief Financial Officer (CFO) have been filled, with effect from 01 March 2012 and 01 March 2013 respectively. The following Section 56 posts are filled by fixed-term employees, with contracts

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which are due to review in February 2014: Director of Planning and Economic Development; Director of Engineering Services; and Director of Community Services.

All other Section 56 posts are vacant and have acting appointees as set out below:

Director of Corporate Services: Vacant since 01 August 2012.

Chief Operating Officer: Vacant since 01 December 2012.

Director of Health and Public Safety: Vacant since 01 May 2013.

Director of Executive Support Services: Vacant since 01 April 2012

The above posts could not be filled as the restructuring has not been completed. However, Council has adopted its new macro-structure, which will come into effect from May 2013. All the vacant Senior Manager posts are due to be advertised in mid-August 2013.

In order to attract and retain professionals with scarce skills, BCMM has implemented a talent management strategy, which contains the following broad initiatives:

Prioritisation of bursaries for scarce skills categories, both internally and externally.

Payment of professional registration fees for scarce skills categories.

Prioritisation of functional development for scarce skills categories.

Payment of a scarce skills allowance.

T 4.1.4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

*Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.*

Workforce management is a core function of each line manager in BCMM. In order to ensure reasonable standardisation and consistency in the handling of the workforce, staff policies; procedures; and conditions of service are developed at a central level and are then implemented by line management.

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Conditions of service of senior managers are based up on the regulations promulgated by the Minister of Cooperative Governance and approved by Council.

Conditions of service of staff below senior management level are negotiated at a central level by the National and Provincial divisions of the South African Local Government Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU.

In addition to the above, a wide range of policies, procedures and directives are approved by relevant approval authorities after due consultation with stakeholders such as Council, the City Manager and Senior Management. Such policies, procedures and directives are then circulated to all staff for implementation and compliance.

Policies, procedures and directives are revised as the need arises.

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## 4.2 POLICIES

HR Policies and Plans			
	Name of Policy	Completed %	Reviewed %
1	Affirmative Action	100.00	In review process
2	Attraction and Retention	100.00	In review process
3	Code of Conduct for employees	100.00	In review process
4	Delegations, Authorisation & Responsibility	100.00	In review process
5	Disciplinary Code and Procedures	100.00	In review process
6	Essential Services	0.00	In review process
7	Employee Assistance / Wellness	100.00	In review process
8	Employment Equity	100.00	In review process
9	Exit Management	100.00	In review process
10	Grievance Procedures	100.00	In review process
11	HIV/Aids	100.00	In review process
12	Human Resource and Development	80.00	In review process
13	Information Technology	100.00	In review process
14	Job Evaluation	100.00	In review process
15	Leave	100.00	In review process
16	Occupational Health and Safety	100.00	In review process
17	Official Housing	100.00	In review process
18	Travelling and Subsistence Allowance	100.00	In review process
19	Official transport to attend Funerals	100.00	In review process
20	Official Working Hours and Overtime	100.00	In review process
21	Organisational Rights	100.00	In review process
22	Payroll Deductions	100.00	In review process
23	Performance Management & Development	100.00	In review process

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HR Policies and Plans			
	Name of Policy	Completed %	Reviewed %
24	Recruitment, Selection and Appointments	100.00	In review process
25	Remuneration Scales and Allowances	100.00	In review process
26	Resettlement	0.00	In review process
27	Sexual Harassment	100.00	In review process
28	Skills Development	100.00	In review process
29	Smoking	100.00	In review process
30	Scarce Skills	100.00	In review process
31	Work Organisation	100.00	In review process
32	Uniforms and Protective Clothing	100.00	In review process
33	Other:	0.00	

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

BCMM has a well-developed staff policy framework. The finalisation of the Human Resource Development Policy will close a major gap which currently exists in the organisation. This policy has been drafted and is under consultation with the stakeholders.

In addition, BCMM has not managed to finalise a minimum service (essential services) agreement due to non-agreement between the parties. BCMM thus applies the relevant legislation in this regard.

On a broad level, BCMM is undergoing a process of reviewing all policies to ensure that they are relevant and aligned to BCMM's status as a metro.

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## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

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Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only = 68	0	0	0%	0	included below
Temporary total disablement	1033	168	380%	6	1571667
Permanent disablement	0	0		0	
Fatal	0	0		0	
<b>Total</b>	<b>1033</b>	<b>168</b>	<b>16%</b>	<b>207</b>	<b>1571667</b>

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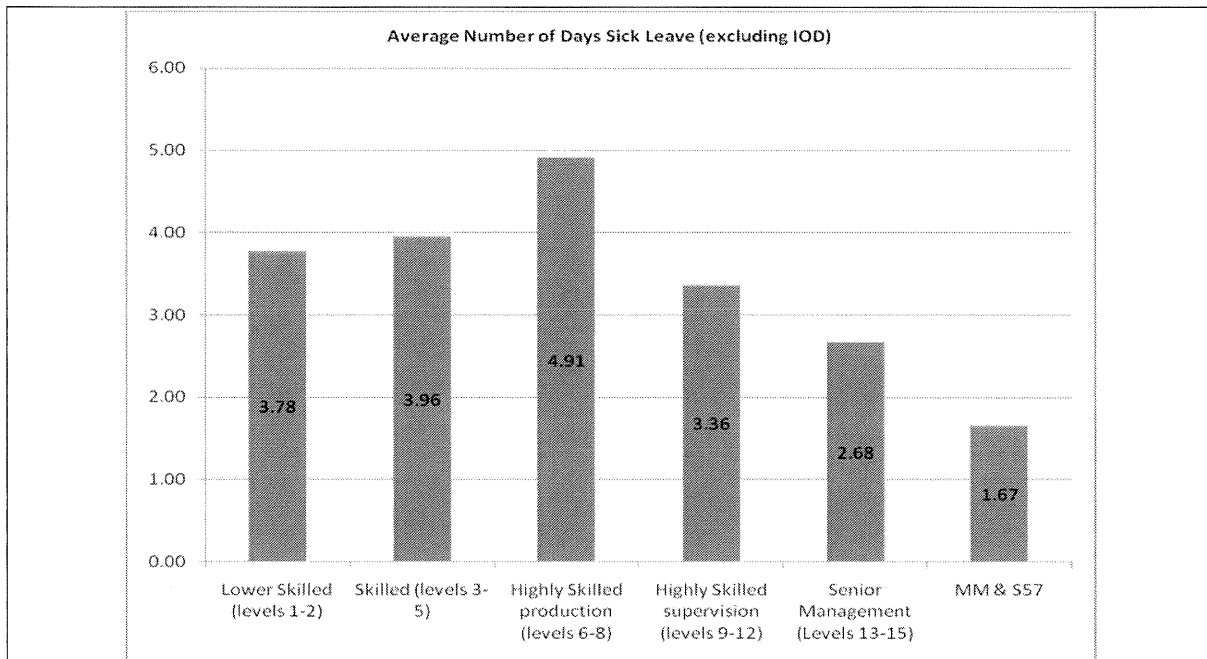
During the year under review, there were no permanent disablements or fatalities.

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification % <sup>1</sup>	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	2478	38%	458	656	3.78	1933035
Skilled (Levels 3-5)	8075	40%	1499	2041	3.96	6755744
Highly skilled production (levels 6-8)	6523	46%	992	1328	4.91	7029537
Highly skilled supervision (levels 9-12)	2351	44%	496	699	3.36	5397759
Senior management (Levels 13-15)	423	53%	97	158	2.68	2072291
MM and S57	25	22%	7	15	1.67	153763
<b>Total</b>	<b>19875</b>	<b>243%</b>	<b>3549</b>	<b>4897</b>	<b>4.06</b>	<b>23342129</b>

T 4.3.2

<sup>1</sup> This column is not 100% accurate as it only includes the posts which have been assessed. However, all the other data in this table includes all employees

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## COMMENT ON INJURY AND SICK LEAVE:

BCMM has an approved Employee Relations Policy which contains, *inter alia*, an absenteeism policy aimed at controlling and reducing sick leave. This policy permits line managers to do home visits to sick staff, get second opinions from municipal doctors and manage incapacity and absenteeism.

One of the key strategies approved by Council is the implementation of an electronic attendance control (biometric) system. This system will be implemented in a phased manner, commencing in the 2013/14 financial year.

In order to better manage absenteeism in the workplace, BCMM has initiated an absenteeism reduction project in cooperation with relevant stakeholders, such as the unions. This will result in further strategies being developed and implemented to curb absenteeism.

Injuries on duty have also proven to be a challenge: BCMM has an injury rate which is slightly above the norm. As a result, a safety plan has been implemented and its impact is being monitored. Further steps to increase safety across the organisation are required to be taken via the monthly safety committee which meets under the chairmanship of Corporate Services.

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Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
GM Assets and Risk	Gross Misconduct and negligent	25-May-11	Final Warning	17-Aug-12
PM: Mechanical	Gross Vilation of SCM Policy	7-Jun-11	Dismissed	11-Jul-13
GM Electrical and Mechanical	Gross Vilation of SCM Policy	22-Jul-11	Employee resigned from Mun	30-Sep-12
Senior Buyer	Gross Insubordination	7-Jun-11	Not Guilty	4-Jul-12
Accountant	Theft/misappropriation of funds	28-Oct-11	dismissed	20-Dec-12
Supervisor Counter services	Theft/misappropriation of funds	28-Oct-11	dismissed	10-Dec-12
Supervisor Counter services	Theft/misappropriation of funds	28-Oct-11	dismissed	3-Dec-12
PM Housing	Fraud,Corruptionand Gross Dishonesty	31-Oct-11	Pending	N/A
Informal tender Coordinator	Fraud,Corruptionand Gross Dishonesty	8-Nov-11	dismissed	28-Aug-12
Handy Man, Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
Handy Man, Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
General Worker Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
General Worker Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
General Worker Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
Superintended Building	Unauthorised Use of vehicle and Dishones	26-Apr-12	Pending	N/A
Contracts Coordinator	Gross Insubordination	26-May-12	Pending	N/A
Senior Accountants finance	Gross Dishonest and breach of staff policy	4-Jun-12	Pending	N/A
Beneficiary Officer	Fraud,Corruptionand Gross Dishonesty	31-Jul-12	dismissed	1-Oct-12
Stores Assistant	Theft of Diesel	27-Sep-12	Pending	N/A
Sewer Worker	Theft of Diesel	14-Sep-12	Case dismissed	14-Mar-13
Bulk Technician	Consumption of Alcohol on duty	24-Oct-12	Dismissed	17-Jul-13
Occasional Cashier	Theft and Gross Negligent	18-Oct-12	Written warning	16-Nov-12
Artisan Assistant	Theft of Copper	12-Dec-12	Dismissed	18-Feb-13
Bus driver	Misappropriation of Funds	4-Feb-13	Dismissed	29-May-13
Bus driver	Misappropriation of Funds	4-Feb-13	Pending	N/A
PM: LED	Gross Dishonesty and fraud	19-Feb-13	Dsmissed	25-Apr-13
Supervisor Sanitation	Driving Municipal Vehicle under Influence	5-Mar-13	Finalised	30-May-13
Supervisor Sanitation	Theft of Diesel	15-Mar-12	Finalised	6-May-13
Equipment Operator	Dishonesty		Dismissed	28-Sep-12
Handyman Environmental Dept	Theft of Municipal property		Dismissed	2-Oct-12
General Worker (Roads)	Theft of Municipal Property	12-Apr-13	Pending	N/A
Senior Clerk: Licensing	Misappropriation of municipal funds	20-May-13	Finalised	5-Jul-13
Animal /Business Inpector	Misappropriation of municipal funds	20-May-13	Pending	N/A
Bus Driver	Misappropriation of municipal funds	6-Jun-13	Pending	N/A
Workshop Storeman	Theft of Copper Cable	20-Jun-13	Pending	N/A
General Woker: Sanitation	Theft of Diesel	5-Jun-13	Pending	N/A
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<b>Disciplinary Action Taken on Cases of Financial Misconduct</b>			
<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the municipality</b>	<b>Disciplinary action taken</b>	<b>Date Finalised</b>
Accountant	R 57,613.89	Dismissed	20-Dec-12
Supervisor Counter services	R 18,060.00	Dismissed	10-Dec-12
Supervisor Counter services	R 10,676.85	Dismissed	3-Dec-12
Handy Man, Electricity	R 5,250.00	Not Guilty	18-Jul-13
Handy Man, Electricity	R 5,250.00	Not Guilty	18-Jul-13
General Worker Electricity	R 5,250.00	Not Guilty	18-Jul-13
General Worker Electricity	R 5,250.00	Not Guilty	18-Jul-13
General Worker Electricity	R 5,250.00	Not Guilty	18-Jul-13
Stores Assistant	R 1,725.00	Pending	N/A
Sewer Worker	R 1,725.00	Case dismissed	14-Mar-13
Bulk Technician	R 17,182.65	Dismissed	17-Jul-13
Occasional Cashier	R 1,000.00	Finalised	16-Nov-12
Artisan Assistant	Not quantified ( SAP 13)	Dismissed	18-Feb-13
Bus driver	R 14 741.80	Pending	N/A
Bus driver	R 7 108.25	Dismissed	29-May-13
Equipment Operator	R 3,863.62	Dismissed	28-Sep-12
Handyman Environmental dept	R 24,977.13	Dismissed	2-Oct-12
Supervisor Sanitation	R 1,564.00	Not Guilty	2-Oct-12
Senior Clerk: Licensing	R 4,732.00	Not Guilty	5-Jul-13
Animal /Business Inspector	R 7,684.00	Pending	N/A
Bus Driver	R 9,600.00	Pending	N/A
Workshop Storeman	R 30,736.00	Pending	N/A
General Woker: Sanitation	Not quantified	Pending	N/A
			T 4.3.6

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

T 4.3.7

BCMM has set strict standards for disciplinary action to be taken in all cases of serious misconduct. Where such serious misconduct is identified, accused staff members are suspended on a precautionary basis.

However, BCMM faces challenges in effecting speedy resolution of such cases. As a result, extended suspensions periods – beyond the 3 month limit which has been set – are experienced. The reasons for the challenges are summarised as follows:

In certain instances, the time-limits set in the disciplinary code are unreasonable.

The disciplinary code contains complex procedures and stipulations, which unnecessarily complicate and delay disciplinary actions.

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In many cases continuous delays are caused by the affected parties' non-availability, slow response to requests for disclosure of information and doctors certificates not being presented when required.

There is also a general non-adherence by parties to the established time limits.

Notwithstanding the above, steps have been taken to address these challenges:

The disciplinary code is being negotiated at the South African Bargaining Council (SABC) level; and

An employee relations improvement project is to be implemented in the 2013/2014 financial year to support Labour Relations capacity and address the challenges.

T 4.3.7

## 4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0	0	0%
	Male	0	0	0	0%
Skilled (Levels 3-5)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled production (levels 6-8)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled supervision (levels 9-12)	Female	0	0	0	0%
	Male	0	0	0	0%
Senior management (Levels 13-15)	Female	0	0	0	0%
	Male	0	0	0	0%
MM and S57	Female				
	Male				
<b>Total</b>					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<p>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p>					T 4.4.1

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## COMMENT ON PERFORMANCE REWARDS:

The Employee Performance Management and Development System is due to be rolled out to non-Section 56 employees, from Task Grade 15 upwards, in 2013/2014. The full implementation is scoped to occur over a three-year period.

An Employee Performance Management System (EPMS) is in place for Senior Managers (City Manager and Directors). No performance rewards have been issued to any staff for the past financial year.

T 4.4.1.1

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

BCMM develops and implements a workplace skills plan (WSP) on an annual basis. This is based on the capacity-building and development needs identified by staff and managers, and is then effected via a training plan.

Although the above needs are identified by line managers and staff, the alignment of such needs with formal capacity development needs, identified in terms of the performance management system, is lacking. This challenge is being addressed by the implementation of an EMPS and alignment with identified capacity gaps and interventions which are then contained in individual staff members' personal development plans (pdp's).

T 4.5.0

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## 4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as at 30 June 2013	Skills Matrix													
			Learnerships				Skills programmes & other short courses				Other forms of training				Total	
			Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	2012/13 Target		
No.																
MM and s57	Female	1	5					1	1	1	0	0	0	0	1	1
	Male	2	5					2	3	3	0	0	0	0	2	3
Councillors, senior officials and managers	Female	118	2					42	52	52	7	5	5	47	57	
	Male	109	3					61	38	38	10	8	12	69	50	
Technicians and associate professionals*	Female	98	4					17	9	9	10	8	8	25	17	
	Male	318	8					90	141	141	24	14	14	104	155	
Professionals	Female	109	8					25	95	95	7	0	0	25	95	
	Male	207	6					37	155	155	5	0	0	2	2	
Sub total	Female	326	19					85	157	157		13	13	98	170	
	Male	636	22					190	337	337		22	26	177	210	
<b>Total</b>		<b>1924</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550</b>	<b>988</b>	<b>988</b>	<b>63</b>	<b>70</b>	<b>78</b>	<b>550</b>	<b>760</b>	

\*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

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Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer		1	0	1	1	1
Chief financial officer		1	0	1	0	0
Senior managers		4	0	4	0	0
Any other financial officials		35	0	35	0	4
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units		1	0	1	0	0
Supply chain management senior managers		3	0	3	0	1
<b>TOTAL</b>		<b>45</b>	<b>0</b>	<b>45</b>	<b>1</b>	<b>2</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Leaverships		Skills programmes & other short courses		Other forms of training / INTERNSHIP LGSETA Funding & National Treasury		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	18	1030000	30000			6125000	3368000	7155000	3398000
	Male	69								
Legislators, senior officials and managers	Female	43			9480309	209734			9480309	209734
	Male	72								
Professionals	Female	105				727072				727072
	Male	210								
Technicians and associate professionals	Female	102				243720				243720
	Male	380								
Clerks	Female	513				947158				947158
	Male	219								
Service and sales workers	Female	160				945777				945777
	Male	398								
Plant and machine operators and assemblers	Female	54				630055				630055
	Male	270								
Elementary occupations	Female	860				182095				182095
	Male	1390								
Sub total	Female	1855	1030000	30000	9480309	3073461	6125000	3368000	16635309	6471461
	Male	3008								
<b>Total</b>		<b>4863</b>	<b>1030000</b>	<b>30000</b>	<b>9480309</b>	<b>3073460.9</b>	<b>6125000</b>	<b>3368000</b>	<b>16635309</b>	<b>6471460.9</b>
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.										68%

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## COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Although the implementation of training at BCMM is adequate, it requires a more focused approach, as previously set out. Funding provided for capacity building is adequate at 1.86% of the staff budget and is set to increase to 2% of the staff budget.

The MFMA competency regulations have resulted in steps being taken to ensure that Senior Managers meet competency requirements. The City Manager and CFO have both achieved the necessary competencies. All other targeted staff are in the process of qualifying. National Treasury has awarded an extension to BCMM for the qualification of these staff members by 30 June 2014. In addition, these competency regulations have also resulted in the establishment of a pool of qualified staff below senior manager level, to enable internal staff mobility.

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## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

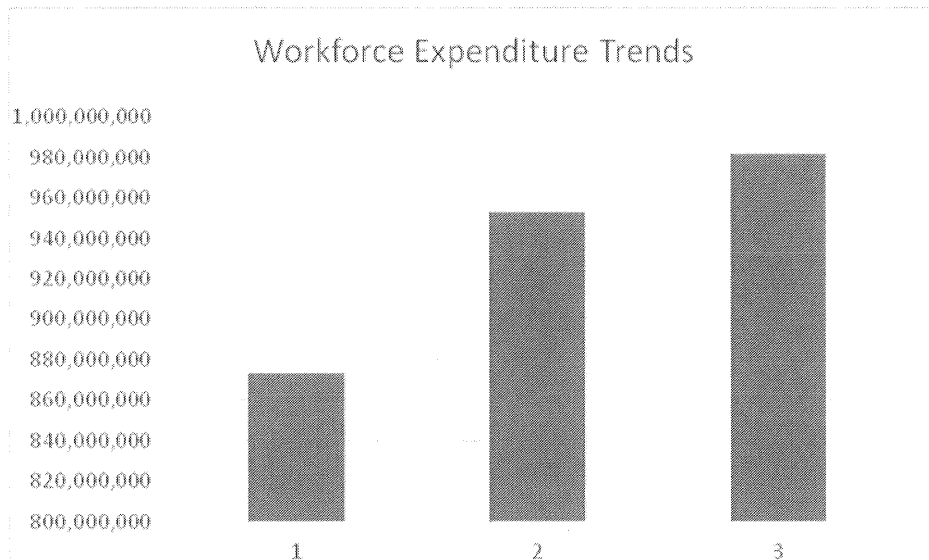
Employee expenditure is closely monitored and controlled each month by the respective line managers. The Budget office submits monthly reports on any over- or under-expenditure and line managers are required to take the necessary corrective actions in order to comply with the amounts that are on the budget.

The Municipality seeks to obtain value for money from its workforce expenditure through various initiatives, such as: the Absenteeism Reduction Policy; and the proposed implementation of a Biometric Employee Attendance Control System. Line managers are required to ensure that employees are productive. The implementation of the Employee Performance Management System will assist with this. In addition to the above procedures, when a vacancy arises, line managers are required to motivate the reasons for the post to again be filled.

T 4.6.0

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## 4.6 EMPLOYEE EXPENDITURE



<b>Actual exp</b>	<b>R 873,367,137</b>	<b>R 952,656,805</b>	<b>R 981,882,106</b>
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>

Source: MBRR SA22

T 4.6

### COMMENT ON WORKFORCE EXPENDITURE:

From the above expenditure trends, one notes that workforce expenditure increased annually, as follows:

2010/11: 13.73%

2011/12: 9.08%

2012/13: 3.068%

The steep increase in expenditure for the 2010/11 financial year was due to the annual salary increase and the implementation of the TASK Job Evaluation Grading Scheme. The SALGBC agreed back pay to employees.

The 2011/12 financial year experienced a 9.08% increase in total employee expenditure due to the annual salary increase of 6.08% and the payments of back pay relating to Job Evaluation anomalies being rectified.

# Chapter 4

The 2012/13 financial year did not increase substantially despite a general salary increase of 6.5% with effect from 1 July 2012 and a further 0.05% with effect from 1 January 2013. This is due to the fact that a moratorium was placed on the filling of vacant posts unless they were of a critical nature, due to the restructuring of the Municipality.

T 4.6.1.1

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Lower skilled	8	Levels 1-2	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Skilled	215	Levels 3 -5	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Highly skilled production	431	Levels 6-8	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Highly skilled supervision	240	Levels 9-12	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Management	37	Levels 13-20	determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement

T 4.6.3