

MSUKALIGWA LOCAL MUNICIPALITY

ACTING POLICY 2020-2021



Approved Date: 28/05/2021
Review Date: as when necessary

5x

TABLE OF CONTENT

NO	TOPICS	PAGE NO
1	Policy purpose	3
2	Policy objective and scope of work	3
3	Policy Definition	3
4	Legislative framework	3
5	Policy Procedure target audience	4
6	General Policy Provisions	4
6.1	Municipal Manager	4
6.2	Manager reporting to the Municipal Manager	5-6
6.3	Other permanent employees acting	6
6.4	Required skills and experience	6
6.5	Performance Management	6
6.6	Termination of Acting Position	7
6.7	Conflict of Business and other interest	7

5X

ACTING POLICY

1. POLICY PURPOSE

- 1.1. Council acknowledges that from time to time an employee, due to certain circumstances (such as death, resignation, leave, etc.) may not be in a position to discharge his/her duties and responsibilities in terms of the contract of employment. Council further recognizes that from time to time there would be a need to appoint another employee to discharge the duties of that particular employee in their absence, hence the need to enter into an acting arrangement and acting allowances.
 - An employee is deemed to be acting in another post when he/she is duly appointed by the Municipal Manager to do so.
 - An employee who acts in another post must also be required to execute his/her original duties, functions and powers.
 - This policy provides the policy principles for the acting policy.

2. POLICY OBJECTIVE AND SCOPE

- 2.1. The objective and scope of the policy are the following:
 - To ensure that the efficiency of the Municipality is maintained during the absence of the incumbent.
 - To promote on-the-job experience and exposure to other employees.
 - To provide a policy guideline for the handling of acting arrangements in various positions within Council.
 - To provide a policy guideline within which acting arrangements can occur.
 - This policy is applicable to:
 - All permanent employees of the municipality including fixe term contract employees.
 - All section 56 and 54A employees of the municipality in terms of the Systems Act.

3. POLICY DEFINITION

“Council” means the municipality.

“Acting” refers to where an employee, by written approval of the Council or Municipal Manager or Manager reporting to the Municipal Manager act in a higher post.

4. LEGISLATIVE FRAMEWORK

- 4.1. The parties acknowledge that acting is regulated in the following legislation and collective arrangement:
 - Local Government Municipal Systems Act no 32 of 2000.
 - Divisional Conditions of Service Collective Agreement.
 - In the event of conflict between the policy and the System Act and the Collective Agreement then the Systems Act and Collective Agreement will prevail.

5. POLICY/PROCEDURE TARGET AUDIENCE

- 5.1. The policy apply to all staff functioning in an acting roles

6. GENERAL POLICY PROVISIONS

The powers of Council and the Municipal Manager in terms of this policy may be delegated to the terms and conditions as Council or the Municipal Manager may determine.

Any acting appointment must be in writing to act in a higher post, by a person duly authorized to do so and that official must accept the acting appointment in writing before the acting commences.

An official who has been appointed to act in accordance with the provisions of this Policy may only act in a higher post for the maximum period permissible and under the conditions stipulated in the policy after which the arrangement shall be reviewed. The person to be appointed to act should generally be the next in line in terms of seniority and Council must try and avoid to appoint employees lower in line unless valid reasons exist for such appointments.

An official acting in a vacant position should not expect to be automatically appointed permanently when the position is advertised.

Acting allowance will be paid in the month following the period in which the acting took place.

An employee reporting directly to the incumbent may only fill a position in an acting capacity.

Any municipal employee appointed to act in a higher position than the one she/he occupies for a uninterrupted period of three or more working days shall be entitled to an acting allowance for such period in terms of the Collective Agreement on Conditions of Service for Mpumalanga Province currently in force until 30 June 2023.

6.1 MUNICIPAL MANAGER

In the absence of the Municipal Manager for a period not exceeding five consecutive days, the municipal manager may appoint any other Section 56 employee to act as Municipal manager. For any period beyond five consecutive days but not exceeding 30 consecutive days section 56 employee shall be appointed by the Executive Mayor and condoned by Council to act as Municipal Manager.

- 6.1.2 An acting municipal manager other than those appointed in terms of section 6.1.1 of this policy shall be appointed by council in compliance with the regulation for the appointment of senior managers as amended and must
 - a. at least have skills, expertise, competency and qualifications as prescribed.
 - b. do so for a maximum period of 3 months and with permission of the MEC the acting may be extended for a further period not exceeding three months.
- 6.1.3 Any acting appointment contrary to the Systems Act is null and void.
- 6.1.4 The Municipal Manager must authorize the payment of an acting allowance to an employee who acts as Municipal Manager during his/her absence.
- 6.1.5 An acting allowance is only payable when an employee acts as a Municipal Manager for a minimum of 3 uninterrupted consecutive working days

6.1.6 The acting allowance payable in terms of this policy shall be fully taxable and included in the monthly salary of the acting employee and be paid on the day of the month following the conclusions of the acting period.

6.1.7 Before an acting allowance is payable in terms of this policy, the relevant Municipal Manager must certify that the acting employee performed all the duties of such an employee in respect of whom he/she acted satisfactorily and such certificate shall be filed in the personal file of the employee who acts in terms of this policy.

6.1.8 If any Manager or HOD is required to act in the position of the Municipal Manager the calculation of the acting allowance will be the difference in the packages of the Manager or HOD and the Municipal Manager

6.2 MANAGERS REPORTING TO THE MUNICIPAL MANAGER (HOD)

6.2.1. In the absence of a Manager reporting to the Municipal Manager for a period not exceeding five consecutive days, the Manager reporting to the municipal manager may in consultation with the Municipal Manager appoint any other Section Manager to act as HOD. For any period beyond five consecutive days but not exceeding 30 consecutive days HOD shall be appointed by the Municipal Manager in consultation with Executive Mayor and condoned by Council.

6.2.2. Any person appointed to act as HOD must at least have skills, expertise, competency and qualifications as prescribed.

6.2.3. A person appointed to act may do so for a maximum period of 3 months and with permission of the MEC for a further 3 month period.

6.2.4. The Municipal Manager must authorize the payment of an acting allowance to an employee who acts as a Manager during the absence of the Manager concerned.

6.2.5. Acting allowance shall only be payable when an employee acts as the HOD for a minimum of 3 uninterrupted consecutive working days.

6.2.6. The calculation of acting allowance or acting on a section 54 or 56 position or other fixed term contractual position shall be based on the difference between 60% of the total remuneration package of the fixed term position and the basic salary of the permanent position or on the difference or in the case of a fixed term position acting the difference between the two total remuneration packages.

6.2.7. The acting allowance payable in terms of this policy shall be fully taxable and included in the monthly salary of the acting employee and be paid on the pay day of the month following the conclusion of the acting period.

6.2.8. Before an acting allowance is payable in terms of this policy, the relevant Manager must certify that the acting employee performed all the duties of such an employee in respect of whom he/she acted satisfactorily and such certificate shall be filed in the personal file of the employee who acts in terms of this policy.

6.3 OTHER PERMANENT EMPLOYEES ACTING

6.3.1. Acting refers to where an employee, by written approval of the Municipal Manager or his nominee, acts in a higher post.

- An acting allowance shall be paid to an employee acting in a higher post subjects to:
- Written confirmation of acting appointment by Municipal Manager or his nominee prior to acting.
- The employee acting in a post for a continuous period of 3 working days shall be paid acting allowance.
- In the event that an employee's salary is equal to or higher than the commencing notch of the salary scale of the post in which he is due to assume an acting, an acting allowance fixed at 12.5% of the employee's basic salary shall be paid.
- An employer shall not require an employee to act for longer than 3 months in the post unless an application for exemption is made by the municipality to the specific division of SALGBC. During the period of the application for exemption the employee will continue to receive and acting allowance.
- Any acting appointment does not guarantee a permanent appointment to that particular position.

6.4 REQUIRED SKILLS AND EXPERIENCE

The skills of the individual considered for the acting position must meet the requirement and the competency model related to the position. This ensures that the objectives in the IDP and SDBIP can be met.

6.5 PERFORMANCE MANAGEMENT

Acting responsibilities must include in the performance measurement of the individual and assessed against pre-agreed criteria for the acting period. The individual's performance indicators for his/her actual position and the acting positions must be adjusted according the priorities and objectives of IDP and SDBIP.

5X

6.6 TERMINATION OF ACTING POSITION

When the acting position is terminated a mini exit interview should be conducted to with the individual to gather information on the difficulties experienced, the objectives achieved and the recommendations for improving the effectiveness of acting assignments.

HR should analyse the data collected during the "exit" process, implement improvements and report accordingly.

6.7 CONFLICT OF BUSINESS AND OTHER INTEREST

Individuals considered for acting position should declare any conflict of business and other related interest that must be considered before the acting appointment are finalised. Appointing individuals that have conflict of business and related interest must be avoided.

Authority



**SI MALAZA
ACTING MUNICIPAL MANAGER**

2021.08.13

DATE

MSUKALIGWA LOCAL MUNICIPALITY
SCARCE SKILLS ALLOWANCE POLICY

2021-2022



Approved Date:
Review Date: as when necessary

INDEX

Table of Contents

1. PURPOSE	3
2. PREAMBLE.....	3
3. LEGAL FRAMEWORK.....	3
4. DEFINATION OF TERMS:	3
5. DEFINATION OF SCARCE SKILLS	4
6. ADDRESSING SKILLS IN REMUNERATION CONTEXT	4-5
7. DEFINATION OF SKILLS ALLOWANCE	5
8. ASSESSMENT	5
9. IDENTIFICATION OF SCARCE SKILLS.....	5
10. GRADING OF SCARCITY ALLOWANCE.....	6
11. DISCONTINUATION/REDUCING SCARCE SKILLS ALLOWANCE.....	6-7
12. SCARCE SKILLS ALLOWANCE AND COUNTER OFFERS	7
13. DELEGATED AUTHORITY	8
14. REGISTRATION OF SCARCE SKILLS.....	8
15 RECOURCE ON APPLICATION.....	8

1. PURPOSE

- 1.1. The purpose of the Policy is to provide a remunerative framework for attraction and retention of employees within the scarce skill domains in Msukaliqwa Local Municipality.

2. PREAMBLE

- 2.1. The attraction and retention of employees within the scarce skills domains is a common challenge in most organizations.
- 2.2. The loss of experienced employees as well the difficulty associated with recruitment of new incumbents has direct impact on service delivery. Although the loss of employees to the external market cannot be prevented in all cases, it is normal and trite human resources practice to adopt a policy to mitigate skills losses to certain extent.
- 2.3. The policy will form part of MLM overall retention strategy.

3. LEGAL FRAMEWORK

- 3.1. The Constitution of the Republic of South Africa 1996. Act No 108 of 1996
- 3.2. Labour Relations Act 1995. Act No 66 of 1995
- 3.3. Employment Equity Act 1998. Act No 55 of 1998
- 3.4. Municipal Systems Act 2000. Act No. 32 of 2000
- 3.5. Basic Conditions of Employment Act 1997. Act No 75 of 1997
- 3.6. Municipal Finance Management Act 2003. Act No 56 of 2003
- 3.7. Skills Development Act 1998. Act No 97 of 1998
- 3.8. Any other applicable legislation
- 3.9. All applicable Collective Bargaining Agreements reached at SALGBC

4. DEFINITION OF TERMS

“DHET” means Department of Higher Education and Training.

“MLM” means Msukaliqwa Local Municipality and includes any committee or employee of the mentioned municipality who acts in terms of delegated powers in respect of this agreement and delegated to such committee or employees;

“EMPLOYER” means the same as Msukaliqwa Local Municipality

“EMPLOYEE” means any person, excluding an independent contractor, who works for another person or for the State and who receives, or is entitled to receive, any remuneration (for the purpose of the application of this policy: this will exclude people appointed on short term contracts e.g. a person appointed on 4 months contract because an incumbent is on sick or maternity leave);

“REMCO” means Remuneration Committee

“HRM & D” means Human Resource Management and Development

“HOD” means Head of Department.

IS

5. DEFINITION OF SCARCE SKILLS

5.1 The Department of Labour defines scarce skills as "an absolute or relative demand: current or in future; for skilled; qualified and experienced people to fill particular roles / professions, occupations or specialization in the labour market. The differentiation between absolute and relative scarcity is outlined as follows:

- a) **ABSOLUTE SCARCITY** refers to suitably skilled people who are not available in the labour market. Specific contexts in which absolute scarcities may arise include:
- A new or emerging occupation. e.g. there are few, if any, people in the country with the requisite skills.
 - Firms, sectors and even the national economy are unable to implement planned growth strategies because productivity, service delivery and quality problems are directly attributable to a lack of skilled people.
- b) **RELATIVE SCARCITY** refers, for example, to the context where suitably skilled people are in fact available in the labour market but they do not exhibit other employment criteria, for example:

- High-level work experience, for example project management of large construction sites such are dams or power plants.
- Geographical location, for example, people are unwilling to work outside of urban areas.
- Equity considerations, for example, there are few if any candidates with the requisite skills from specific groups available to meet the skills requirements of firms and enterprises.

6. ADDRESSING SCARCE SKILLS IN REMUNERATION CONTEXT

- 6.1. There are various ways in which employees with scarce skills can be attracted and retained.
- 6.2. The most common market practice allows for an easy implementable non-pensionable scarce skills allowance. This option does not interfere with job evaluation and accompanying remuneration practices and can be differentiated from the organizations fixed wage bill.
- 6.3. The benefit of a non-pensionable allowance is also that the employee has more cash in pocket due to the non-deduction of employee pension fund contributions.
- 6.4. Skills "demand and supply" are often cyclical, hence the caution against capturing cyclical tendencies on permanent remuneration scales.

- 6.5. In light of above, policy should thus allow for an annual revision of the MLM scarce skills schedule.
- 6.6. As scarce skills allowances are acceptable market practice, a non-pensionable allowance is therefore proposed for MLM under conditions stipulated below:

7. DEFINITION OF SCARCE SKILLS ALLOWANCE

- 7.1. The Scarce Skills Allowance will be defined as a non-pensionable allowance calculated as percentage of an employee's monthly basic salary and payable on a monthly basis.

8. ASSESSMENT

- 8.1. The MLM shall establish a committee called "Remuneration Committee (REMCO)" which will preside over the assessment of qualifying posts and post categories.
- 8.2. Recommended qualifying posts and post categories shall be presented to the bargaining forum for adoption and thereafter recommend to Council for approval.

9. IDENTIFICATION OF SCARCE SKILLS

- 9.1. The municipality shall consider and compensate all positions declared scarce skills by the Department of Higher Education or Department of unemployment and Labour for the purpose of implementation of its recruitment and/or retention strategy.
- 9.2. For any other positions in the municipal staff establishment not covered by the above declaration, HRM & D will monitor and review the internal scarce skills schedule annually and submit the recommended schedule to the REMCO for adjudication. Within the context of "absolute" and "relative scarcity" the REMCO will amongst others, take the following information into account when assessing scarcity:
 - 9.2.1. The vacancy (turnover) rate of the said posts over a 24 month cycle.
 - 9.2.2. The specialized nature of the skill (special/technical trained or professional employees)
 - 9.2.3. The availability of such skills in the external labour market.
 - 9.2.4. Cyclical patterns relative to the position.
 - 9.2.5. The dependency on service providers.
 - 9.2.6. Whether scarcity is actually caused by remuneration and not other organizational issues e.g. work place practices/frustrations, supervisor/employee conflict etc.
 - 9.2.7. Whether the employee(s) can still be retained with counter offers within the approved salary scale.
 - 9.2.8. Whether other non-monetary measures can solve the problem.

9.2.9. Validation of roles against the Department of Higher (DHET) Education's scarce and critical skills database.

10. GRADING OF SCARCITY ALLOWANCE

- 10.1 In order to ensure that MLM has a sound, defensible and an optimally regulated policy the grading of scarcity should determine the financial premium which MLM will incur on a post or category of posts.

Therefore the following categories will apply:

CATEGORY	DESCRIPTION	% SCARCITY ALLOWANCE
CATEGORY 1	These are vacancies where there is constant turnover, but replacements can be recruited again with extra effort, e.g. advertisements in national newspapers. Situation is relative stable, but to be monitored regularly for deterioration or such vacancies can only be filled after a prolonged and extensive recruitment process	20% of the basic salary
CATEGORY 2	These are vacancies almost impossible to fill even after extensive recruitment processes. A high demand in the external market and/or a general shortage (supply) in the labour market of a highly specialized post/post category. Each submission will be dealt with on a merit/case by case basis. In cases where remuneration market indicates that a 20% allowance will still not be enough to attract and retain certain extreme scarce skill, the HOD: HRM & D will in highly exceptional cases, increase the 20% up to a higher % suitable for attracting and retaining that specific skill	HOD : HRM & D MM

- 10.2 The MLM reserves the right, after the necessary assessment of a post's scarcity, to discontinue or reduce the non-pensionable allowance for a specific post or post category.

11. DISCONTINUATION / REDUCING SCARCE SKILLS ALLOWANCE

- 11.1 Upon promotion / transfer of an employee who is receiving Scarce Skills Allowance, the Following guidelines are to be followed / implemented:

11.1.1 Promotion to a post where there is no scarce skills allowance applicable: The allowance will be discontinued.

11.1.2 Promotion/transfer to a post with lesser scarce skills allowance than the employee's current post: The employee's Scarce Skills Allowance will be reduced to the relevant allowance as table under clause 10.

ST

11.2 In the event the REMCO resolves that a certain post or post category's Scarce Skills Allowance be discontinued, the following procedure is to be followed:

11.2.1 The employee will receive one (1) months written notice from the HRM & D that the allowance will be discontinued or reduced.

12. SCARCE SKILLS ALLOWANCE AND COUNTER OFFERS

12.1 In cases where a Scarce Skills Allowance is applicable, the allowance may be increased to make a suitable counter offer if MLM stands to lose highly skilled personnel.

The following principles will apply:

12.1.1 Counter offers should only be granted on exceptional circumstances where the employee has highly specialized skills, knowledge or expertise and could therefore not be easily replaced.

12.1.2 Counter offers can only be granted when the employee provides an original and valid job offer from an external organization.

12.1.3 The granting of a counter offer remains the sole discretion of the MLM.

12.1.4 Under no Circumstances will an employee be allowed to demand a counter offer from MLM without the above principles been met

12.2 The following procedure should be followed when granting a counter offer:

12.2.1 The relevant Department HOD must motivate such counter offer with a Comprehensive report including the cost implication and source of funding (validated and approved by the CFO) to the HOD : HRM & D

12.2.2 HOD : HRM & D must enter into discussion with the employee and recommend a suitable notch for a counter offer

12.2.3 The HOD: HRM & D reserves the right to further investigate the granting of a counter offer.

12.2.4 The HOD : HRM & D also reserves the right to amend or not to approve a counter offer

12.2.5 The Departmental Head and employee will be informed of the final outcome by the HOD: HRM & D. It is therefore important that Departments should not make any promises or commitment to an employee prior to an approval been granted.

ST

13. DELEGATED AUTHORITY

13.1. Based on the Scarce Skills Schedule (post and post categories) recommended by REMCO the approval of Scarce Skills Allowance to qualifying employees should be done very swiftly to prevent the MLM from losing such employees. The latter is also especially true for counter offers as counter offers should normally be made before the employee formally accepts the external job offer. Hence the need is to act quickly.

13.2. The Municipal Systems Act, Act 32 of 2000 stipulates as follows:

“66 (1) A Municipal Manager, within a policy framework determined by the municipal council and subject to any applicable legislation, must –

- (a) Approve a staff establishment for the municipality
- (b) Provide job description for each post on the staff establishment
- (c) Attached to those posts the remuneration and other conditions of service as may be determine in accordance within any applicable labour legislation; and
- (d) Establish a process or mechanism to regular evaluate the staff establishment and, if necessary, review the staff establishment and remuneration and condition of service.

13.3. For practical reasons and the speedy approval of Scarce Skills Allowances and counter offers, the final approval of Scarce Skills Allowance and counter offers needs to be delegated by the Municipal Manager to the HOD: HRM & D

14 REGISTRATION OF SCARCE SKILLS

14.1. The Training Division will ensure that the Annual Workplace Skills Plan (WSP) lists all MLM's Scarce Skills prior to lodging the WSP with LGSETA which through its process facilitates the registration of Scarce Skills with the DHET.

15 RECOURSE ON APPLICATION

15.1. In the event that a grievance arises with regard to the application and interpretation of this Policy, it shall be handled in terms of the SALGBC Main Collective Agreements.

AUTHORITY



SI MALAZA
ACTING MUNICIPAL MANAGER



DATE

12

C

C

