

CHAPTER ONE

SECTOR PROFILE

Introduction

The Sector Skills Plan for the Local Government SETA has been written within the framework provided by the Dept of Labour's National Skills Development Strategy, The Dept of Provincial and Local Government's National Capacity Building Framework (version 1.7), and the Demarcation Board's analysis of municipal performance for 2004. Where appropriate, reference has been made to other pertinent strategic documents and research, such as the DPLG 'Project Consolidate' (October 2004) findings and proposed action plan, the DPLG Local Government 5 Year Strategic Agenda, and the DPLG M and E Framework for local government. The document has been structured in accordance with the Dept of Labour's guidelines on the development of Sector Skills Plans as issued in August 2005.

The Sector Skills Plan will be substantially reviewed during 2009/10 to ensure that information from the sector wide skills audit currently being jointly conducted by a partnership consisting of : DPLG, LGSETA, SALGA, SAMWU and IMATU is incorporated into the SSP. Currently skills audits have only been concluded in 16 municipalities, and therefore do not as yet provide sufficient information for inclusion into the Sector Skills Plan.

Purpose of the SSP document:

The Sector Skills Plan document is primarily an analysis of labour market trends, legislative requirements and developments in the sector. It seeks to provide a profile of the sector and its skills needs. It is not the strategic plan of the LGSETA, but is rather the strategic document used to inform the LGSETAs strategic skills planning.

It should be noted that in the local government sector, the practical value of labour market modelling as an indicator of employment growth and demand is limited. The local government wage bill is essentially restricted by National Treasury to 35% of operational expenditure (operational expenditure being largely determined by a municipalities own sources of revenue mainly through rates and taxes and the sale of services to local consumers), and further by the 3 to 6% increase per annum guideline as per Treasury circular of January 2007.

The sector employs approximately 200 000 people, and this is likely to remain fairly stable unless the expenditure guidelines for the sector change, or unless there is unprecedented growth in municipalities own revenue collection. The latter is unlikely, as of the approximately 12,8 million households in South Africa (a probable under estimate given the current rate of household formation), 5,5 million households are classified as indigent and qualify for Free Basic Service delivery. The implementation of the Municipal Property Rates Act will have some impact on improving municipal income but inefficiencies remain in municipal revenue collections, budgeting and financial planning, coupled with increased demand for service delivery. Despite this, very high vacancy rates remain in budgeted posts on municipal staffing structures.

Research Process

During 2002 and 2003, extensive quantitative and qualitative research was conducted in the sector, on behalf of the then LGWSETA by Resolve Skills Works and Leslie Powell Consultancy. In addition, a sample of Workplace Skills Plans received by the LGWSETA for 2003 and 2004,

was analysed by Dr Pundy Pillay, of the Sizanang Centre for Research and Development. Further, focussed research was commissioned by the LGWSETA. The profile presented by the analysis of the WSP sample has largely been validated by the data captured within the WSP component of the LGSETA MIS. Thematically focussed research was conducted, along with extensive stakeholder consultation, during June, July and August 2004. Workplace Skills Plans for 2004/5 and 2005/6 have been analysed by Samantha Yeowart. Provincial research was conducted in each province along with scarce skills workshops during July 2006. Further to this, the 2008/9 WSPs have been used to update Chapter 4 on the scarce skill requirements. In addition, the local government sector holds annual district and provincial skills colloquia. The findings from the colloquia are incorporated into the SSP document. The sector has a 90% submission rate of WSPs allowing for their use as a credible data source, which substantially correlates with the data captured by the Demarcation Board in their annual capacity assessments of municipalities.

Additional documentation was sourced from the Demarcation Board, National Treasury and the Dept of Provincial and Local Government, in addition to provincial Depts of Local Government.

Drivers of change

‘ I am so angry with the authorities. Why do we have contaminated water? It is their job to make sure they give us clean water. I have lost my little girl because someone did not do their job properly’ (mother of Maria Sithatu, aged 14 who died after contracting typhoid after drinking contaminated water in Delmas, quoted in The Star, September 15, 2005). There is a human cost associated with service delivery failure.

Local government, including the local government water service delivery function, are at the forefront of developmental change in South Africa. Clauses 152 and 153 of the Constitution allocate to local government the role of promoting social and economic development while maintaining and improving service delivery (which includes water and sanitation) to all community members. Additionally, local government is the foundation for participatory democracy.

According to the Demarcation Board’s 2003 assessment of municipal capacity, local authorities tend to be better at performing their income generating functions vs the performance of their service delivery and developmental functions. In the context of local government , a lack of capacity is often demonstrated in the following:

- A municipality may lack financial resources to meet its service delivery obligations due to the poverty of their community. This should be ameliorated by the equitable share which is formula based and needs driven (based on number of poor households). However, there may be discrepancies as local level statistics are often unreliable.
- Municipalities have a large number of staff vacancies, both on budgeted posts and on their organograms
- The staff employed do not have minimum level of competence, or attitude necessary to do the job for which they were employed
- Operational systems and processes may be poorly developed or absent
- Employees lack the tools, or hardware to do their jobs (50% of municipalities did not have budgets for IT hardware)

“Developmental local government is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.” (Local Government White Paper 1998.)

The white paper continues that developmental local government has four inter-related characteristics:

1. to maximise social development and economic growth
2. to integrate and co-ordinate the development activities of a variety of actors
3. to democratise development by empowering communities to participate meaningfully in development
4. to provide leadership, promote the building of social capital and create opportunities for learning and information sharing

Municipalities have to become competent development facilitators, building partnerships and networks with local communities and the private and non-governmental sector, to achieve their developmental goals as well as to “democratise” development processes.

The DPLG the following strategic priorities for local government, in the Five Year Local Government Strategic Agenda (May 2006):

1. mainstreaming hands on support to local government to improve municipal governance, performance and accountability
2. to address the structure and governance arrangements of the state to better strengthen, support and monitor local government
3. refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to enforcement issues

Some key performance areas for Local Government are:

1. Good governance and the deepening of democracy
2. municipal transformation and institutional development
3. municipal financial viability and management
4. basic service delivery and infrastructure development
5. sustainable local economic development

Local government and water services transformation has been guided by the sector’s new constitutional mandate and key legislation including the White Paper on Local Government (1998), the Municipal Systems Act (2000), the Municipal Structures Act (1998), the Municipal Demarcation Act (1998), the Municipal Finance Management Bill (2000), the Water Services Act (1997), the National Water Act (1998), the White Paper on Basic Household Sanitation (2001), the White Paper on Municipal Service Partnerships (2000) and the White Paper on Water Services (October 2002).

In addition to changed mandates and functions, the municipal demarcation process of 2000 generated massive spatial and organisational restructuring, from 800 transitional local governance structures to 284 and to 283 with redemarcation in 2005, placing considerable managerial and organisational strains on local authorities having to deal with the integration of geographical areas, delivery systems, financial and administrative systems, delivery backlogs, staffing and placing significant constraints on skills development within the sector. In several municipalities the staff placement process initiated by the 2000 amalgamations, still has not been completed, particularly in the metros (Cat A) and larger local (Cat B) municipalities, despite them having been eligible for a specific restructuring grant from National Treasury upon

submission of a credible restructuring plan. Yet further restructuring was initiated after the 2006 local government elections in many municipalities. By early 2007, the majority of Section 57 (i.e senior managerial posts) had been filled (DPLG M & E report). However, municipalities average staff vacancy rates (on approved organograms) of 36 – 38%, the bulk of these vacancies being in elementary occupations.

In terms of the Municipal Structures Act of 1998, municipalities were divided into three categories:

- A : Metropolitan Municipalities
- B: Local municipalities
- C: District Municipalities, which would co-ordinate, oversee and support groups of local municipalities

The municipalities are required by law to administer, regulate, or provide for the following::

TABLE 1:

Priority 1	Priority 2	Priority 3
<ul style="list-style-type: none"> • cemeteries • electricity • firefighting • municipal health • municipal planning (both spatial and economic) • municipal roads • refuse • sanitation • storm water • traffic and parking • potable water (water services) 	<ul style="list-style-type: none"> • control of air pollution • regulation and control of beaches and amusement facilities • building regulations • cleansing • control of public nuisances • fencing • regulation of outlets selling food • municipal transport • noise pollution • pontoons and ferries • pounds • street lighting • street trading • trading regulations 	<ul style="list-style-type: none"> • public parks and recreation facilities • municipal sports facilities • public open spaces • local tourism • public amenities • municipal airports • dog licensing • regulation of child care facilities • regulation of outlets selling liquor to the public • markets • burial of animals • municipal abattoirs

*“The purpose of the National Capacity Building Framework for Local Government is to establish an **integrated capacity building structure and guidelines**, which will steer all capacity building strategies towards enabling municipalities to fulfil their constitutional duties, and to perform their powers and functions, as developmental local government entities.” (Version 1.7.)*

“The stability of the local government system has been severely affected by the complex and time-consuming processes of amalgamating the dis-established interim transitional councils. New legislative obligations require that municipalities significantly upgrade their existing capacity. Uncertainty related to the division of powers and functions resulted in many municipalities delaying critical institutional decisions for services provision as well as delaying associated capacity building initiatives. Whilst the announcement of the final division of powers and functions has been made, implementation of this division will require extensive capacity and external support.

In particular, municipalities are required to address service delivery mechanisms for their entire municipal area. Implementing the new system of local government is a critical challenge that municipalities need to address if they are to tackle their community's development challenges effectively."

In addition to dealing with the complexities of legislatively driven changes local authorities have to attempt to eradicate service delivery backlogs inherited partly from the apartheid era, and partly generated by increasingly rapid levels of urbanisation. Whilst urbanisation affects the metropolitan areas in particular, it should not be viewed as a solely metropolitan phenomenon. The 'Ten Year Review' found that 20% of the urban population were 'newcomers', or new urban migrants. The SA Cities Network 'State of the Cities' report of 2004 notes particularly high urbanisation and population growth within South Africa's secondary cities. Coupled to the urbanisation are very high rates of household formation. The demand for services such as housing, water etc is linked to the rate of household formation. Important in its consequences for local authorities and their obligation to provide services, has been the dispersal of populations within cities and its accompanying increase in the number of urban households.

DWAF, in September 2003, developed the **Strategic Framework for Water Services** to provide a comprehensive approach to water services provision. The primary goal of the water services sector is that all people living in South Africa will have access to an appropriate, acceptable, safe and affordable basic water supply and sanitation service. DWAF is responsible for sector policy, support and legislation. The following, still within the LGSETA scope of coverage, are involved with water services provision:

- Water Services Authorities (metros, some districts and authorised local authorities)
- Municipalities

The proposed introduction of the Regional Electricity Distribution System sees the provision of electricity as a shared service with distribution becoming the responsibility of the REDS, but operations and maintenance remaining the responsibility of the local authorities.

The restructuring of the public sector into a single public service, inclusive of all spheres of government is unlikely to have much impact on the functions, size or skills sets and competencies required by local government. It will however, have a significant impact on conditions of service, including performance management and human resource practices. In the longer term it should streamline and improve intergovernmental relations, and raises interesting possibilities for the streamlining of public sector training systems.

A single public service raises the potential for developing a framework of minimum qualifications and competencies for different job categories, and for greater standardisation of required individual performance standards, and the standardisation of job descriptions. The development of senior level competency requirements for local government senior level staff by both the DPLG and National Treasury during 2006 and 2007, has gone some way to establish norms and standards for the employment of staff in certain key municipal posts. This could in turn assist to improve selection and recruitment processes within local government.

Implications of the new National Skills Development Strategy

The Seta redemarcation process, and the recertification of the LGSETA which saw the removal of the Water Chamber to ESETA, has resulted in a loss of approximately 20 000 employees, approximately 185 employers and approximately R 11 million p.a in levy income. Despite this, the bulk of water services infrastructure, staff and water service processes still lie within the scope of coverage of the LGSETA as most local authorities are Water Service Authorities, and it is a priority 1 municipal function to provide water services.

The continued focus on SMME targets as defined by the Dept of Trade and Industry, whilst logical in most other sectors where approximately at least 90% of enterprises would fall into the SMME category, makes little sense for the LGSETA, where a more sector specific indicator linked to municipal capacity should be developed. Alternatively, Project Consolidate initiated by the DPLG could be used as a sector specific indicator of capacity and need.

The increased focus of the new NSDS on scarce skills, (although the linkage of skill to occupational title does remain problematic), and improved quality of training provision, should assist the sector to move away from 'training for training's sake' to enable training to be more closely linked to improved job performance and resulting improvements in the performance of key municipal functions. Also welcome in a sector where 42% of the employees do not have an NQF 1 qualification is the particular focus on ABET. The NSDS objectives and indicators will be dealt with in more detail in appropriate sections of this report.

Characteristics of the sector

Local government in South Africa is responsible for delivering basic services to communities, investing in and maintaining physical and social infrastructure, and promoting economic growth and poverty alleviation. Local government also has considerable financial powers, including the right to raise income through property taxes and user charges for services. Local authorities raise most of their operating budgets from their own income. However, as the 10 year review of government performance notes, the level of municipal debt and illegal connections suggest poor capacity, and that many citizens do not understand their obligations.

Yet, according to the Demarcation Board's 2003 assessment of municipal capacity, local authorities tend to be better at performing their income generating functions vs the performance of their service delivery and developmental functions. The service delivery and developmental functions are largely linked to the capital budgets. The National Treasury Report on 2004/5 Local Government budgets (September 2005) reports ' sluggish spending' by local authorities on their capital budgets, with most local authorities having underspent. The DPLG M & E report (2007) suggests an improvement in rates of expenditure on the MIG (Municipal Infrastructure Grant) but more analysis remains to be done.

The DPLG the following strategic priorities for local government, in the Five Year Local Government Strategic Agenda (May 2006) as a response to municipal under performance:

1. mainstreaming hands on support to local government to improve municipal governance, performance and accountability
2. to address the structure and governance arrangements of the state to better strengthen, support and monitor local government
3. refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to enforcement issues

The total municipal budget for the 2004/5 financial year amounted to R 101 billion (R 17 billion on capital expenditure and R 84 billion on operating expenditure). Most of the capital budget (R 7.4 billion) is funded by transfers from national government.

The capital budget was split as follows (National Treasury 2005):

Water and sanitation :	R 4 billion:	24%
Roads and stormwater:	R 2.8 billion:	16%
Housing:	R 2.2 billion:	13%
Electricity:	R 1.8 billion:	11%

The balance was on community facilities.

The operating budgets were split as follows:

Salaries:	R 25 billion:	30%
Bulk electricity purchases:	R 13 billion:	16%
Repairs and maintenance:	R 5.8 billion:	7 %
Interest on loans :	R 5.7 billion:	7%
Bulk water purchases:	R 5.1 billion:	6%

Budgeted revenue (income) on the operational budget was split as follows:

Regional levies:	R 5.7 billion
Property rates:	R 15.6 billion
Electricity:	R 22.6 billion
Water:	R 10.6 billion
Sanitation:	R 2.7 billion
Refuse removal:	R 2.8 billion
Subsidies and grants:	R 12 billion
Other income:	R 11.9 billion

There is an excess of R 4.1 billion of budgeted income over expenditure on the municipal operational budget. Yet, the number of people employed within the sector has remained stable despite the increased number of households to be serviced, although the budgeted surplus on the operational account would suggest the possibility of increasing employment within the sector. Or, at the very least filling existing vacancies in elementary occupations and clerical staff existing on approved organograms. The average public sector expenditure on salaries is approximately 54% of operational budget, although local government effectively remains restricted to no more than 35%.

Despite the restrictions on municipal finances, municipalities demonstrate limited actual expenditure on their budgets, according to the National Treasury. The table below illustrates average actual expenditure on the budgets, bearing in mind that these are unaudited figures, and are taken from a limited number of municipal annual financial statements for 2004/ 2005 financial year. Whilst not representative, these figures do demonstrate expenditure trends:

Table 2 (National Treasury Report)

Budget Item:	Actual expenditure as % of total budget
capital	71%
Operating (incl. salaries)	81%
Salaries, wages & allowances only	84%

The Provinces demonstrating the lowest rates of expenditure on the approved salary budget are the Western Cape (with the City of Cape Town spending only 69% of their total approved salary budget) and Mpumalanga (2004/5). On the basis of the 2007/8 WSP analysis, the Free State demonstrates particularly high levels of vacancies, particularly in elementary and clerical occupations with one municipality declaring a vacancy rate of 81% among ‘ general workers’ (which according to the SA Local Government Bargaining Chamber definition falls into the labourer category).

The local government sector provides for around 5% of formal sector employment in the country, employing approximately 200 000 people. The sector is expected to remain relatively stable in terms of employment size. This is, despite the fact that a strong argument can be made around both the affordability of increased employment within the sector, and the necessity to improve and expand services to a growing number of households. Employment growth in the sector and service delivery remain hampered by the fact that there are no existing norms and standards for the staffing of municipalities – either in relation to minimum qualifications and experience required to fill various posts (aside from the most senior level), or the number of posts of a particular type required to deliver services to a given population or number of households.

The Expanded Public Works Programme is directly aimed at the initiation of labour intensive projects and infrastructure creation. The major vehicle for this will be the Municipal Infrastructure Grant, which aims to eradicate service delivery backlogs by 2013. The maintenance of existing infrastructure is currently not covered within the scope of the MIG.

Scope of the LGSETA

The Local Government, Water and Related Services SETA was established in terms of the Skills Development Act (1998). In terms of the provisions of the Act, the SETA was recertified by the Minister of Labour in March 2005, with a reduced scope of coverage, as the Local Government SETA.

TABLE 3: LGSETA SCOPE OF COVERAGE BY ORGANISATION TYPE AND FUNCTIONS

SIC Code	Main Activity
50493	Any utility or agency, wholly or partially owned by a municipality providing local government services under contractors or a municipality
91201	All functions, services and facilities provided by a metropolitan council as determined by 84 (1): (2) and (3) of Act 117 of 1998 – Local Government Municipal Structure Act of 1998
91202	Category B Municipalities: all functions, services and facilities provided by local council as determined by 84 (1), (2) and (3) of Act 117 of 1998 - Local Government Municipal Structure Act of 1998
91203	Category C municipalities: all functions, services and facilities provided by a district council and district area management as per Act 117 as determined by 54 (1), (2) and (3) of Act 117 of 1998 Local government Municipal Structure Act 1998
91204	Organised local government: an statutory or regulatory body assigned the function as per constitution of RSA, to deal with matters at an executive level within local government

In terms of section 9 of the Act, the table briefly describes the scope of coverage of the LGSETA as determined by the Minister of Labour. The full scope of coverage as outlined in the Government Gazette is largely redundant, as it is covered in the definitions encapsulated within SIC Codes 91201, 91202, and 91203. SIC Code 91204 would include coverage of traditional leaders.

There are eleven kings or queens, approximately 800 senior traditional leaders and between 5000 and 8000 headmen across the length and breadth of present-day South Africa. Legislation provides for three statutory bodies of traditional leadership – the NHTL, provincial Houses of Traditional Leaders (PHTLs) and local Houses of Traditional Leaders (LHTLs). The NHTL and PHTLs are located at the national and provincial levels as per the constitutional demarcation of the republic, while the LHTLs will be established at all district councils where traditional leadership institutions are in place, as well as in the metropolitan municipality of eThekweni.

The constitution extends to the three spheres of government – national, provincial and local – all powers and functions which are governmental in nature, and has assigned to traditional leadership those functions which are customary in nature. It goes on to state that ‘on matters of common interest, such as development and service delivery, cooperative relationships can be established’.

Nature of the LGSETA: key stakeholders:

The key stakeholder bodies within the local government sector are:

1. Dept of Provincial and Local Government
2. Provincial Depts of Housing, Local Government and Traditional Leaders (the title of the departments vary from Province to Province) who are represented on the Provincial Committee structures of the LGSETA
3. SA Local Government Association (SALGA)
4. Provincial structures of SALGA (represented at provincial level)
5. SAMWU (represented at national and provincial level)
6. IMATU (represented at national and provincial level)

There is no official representation of professional bodies operating within the local government sphere, on the LGSETA structures. There are 14 such professional associations which are either specific to local government, or have extensive links to the local government sector professions. In a review of the professional bodies active in local government, conducted by the LGSETA in February 2007, the very low membership figures quoted by the professional bodies was a disturbing finding given the potential for professional bodies/ associations to contribute to skills development in the sector.

Employer profile

The employers (used in this sense to refer to organisations, not the employer body) within the sector comprise:

- Metropolitan Councils
- Local councils
- District councils
- Municipal utilities

Almost half of all local government enterprises are located in three provinces (KwaZulu Natal, Eastern Cape and Western Cape). Half of all district councils are also located in these three provinces. On the other hand, while Gauteng has the lowest number of municipalities overall, 50% of metropolitan councils fall within the province. It is also the most urban of all provinces. Conversely, KwaZulu Natal has the highest number of local municipalities and district councils and has a balanced urban-rural spread. The total number and even spread of district councils across provinces make them an obvious point of contact from which to launch capacity building and skills development support for the large numbers of municipalities, in keeping with their mandate to support local municipalities. However, many district municipalities themselves are severely undercapacitated.

Table 4: Number and type of enterprises by province (please note: this table has not been updated as the redemarcation has not been finally settled by the courts)

Province	Category A: Metro	Category B: Local	Category C: District
Eastern Cape	1	38	6
Free State	-	20	5
Gauteng	3	9	3
KwaZuluNatal	1	50	10
Limpopo	-	26	6

Mpumalanga	-	17	3
North West	-	21	4
Northern Cape	-	26	5
Western Cape	1	24	5
Total	6	231	47

Of the total water in use in the urban, industrial and domestic sectors, 72% is urban, 12% is rural and 16% is mining and bulk industrial usage. The Strategic Framework for Water Services provides an overview of the size of the water services sector, as follows (noting however, that the data presented are estimates only, as data within the sector is neither consistent, nor absolutely reliable) -:

TABLE 5: SIZE OF THE WATER SECTOR

	DWAF	Water Boards	Municipalities	Total
Assets (R bn)	40	12	50	102
Investment (R bn pa)	1,2	1,0	2,8	5,0
Turnover (R bn pa)	1,7	3,5	6,8	12,0
Staff numbers	8 000	8 000	40 000	56 000
Volume (million kl pa)				4 600

From this table, it is clearly seen that the bulk of water services capacity and responsibility lies within the local government sphere and within the LGSETA scope of coverage. Water services include abstraction, conveyance, treatment, storage and distribution of water for potable and industrial use as well as health, hygiene and water resource-use education, measurement of consumption and associated billing, collection of revenue and customer care. Water service providers can contract with a water services authority to provide these services or they can contract with other water service providers. The same functions relating to collection, removal, disposal or treatment of sewerage, domestic wastewater and industrial wastewater apply to sanitation service providers.

It should be noted that DWAF's proposed increase in capital expenditure linked to water resources management (largely through increased provision of dams and storage facilities) will not lead to any significant job creation within the water resources sector, but rather to increases in employment in the construction sector.

Participation by employers in the sector in the submission of WSPs:

Table 6 (LGSETA)

Municipal Type	2004/2005	Percentage	2005/2006	Percentage	2006/2007	Percentage
Metropolitan	6	100%	5	83%	5	83%
District	37	78%	27	57%	39	84%
Local	177	76%	145	62%	175	76%
Total	220	77%	177	62%	219	77%

**WSP Submissions
2007/8**

Province	Metro	District	Local	Total
Gauteng	3	2	9	14
Limpopo	0	5	25	30
Mpumalanga	0	1	19	20
Kwa-Zulu Natal	1	8	41	50
Western Cape	1	5	21	27
North West	0	4	20	24
Northern Cape	0	5	24	29
Free State	0	5	17	22
Eastern Cape	1	6	32	39
Total Submissions	6	41	208	255

**WSP Submissions
2008/9**

Province	Metro	District	Local	Total
Gauteng	3	3	8	14
Limpopo	0	5	25	30
Mpumalanga	0	3	18	21
Kwa-Zulu Natal	1	10	43	54
Western Cape	1	5	23	29
North West	0	4	21	25
Northern Cape	0	5	26	31
Free State	0	4	18	22
Eastern Cape	1	6	35	42
Total Submissions	6	45	217	268

The tables above illustrates the comparative WSP submission rate for the local government sector by municipal type, by year.

Size of the LGSETA – levy income

The six metropolitan councils, only 1.3% of all enterprises in the sector, are responsible for 52% of LGSETA's levy income, while district councils are only responsible for around 6%.

TABLE 9: SKILLS DEVELOPMENT LEVIES PAID BY EMPLOYERS IN THE SECTOR

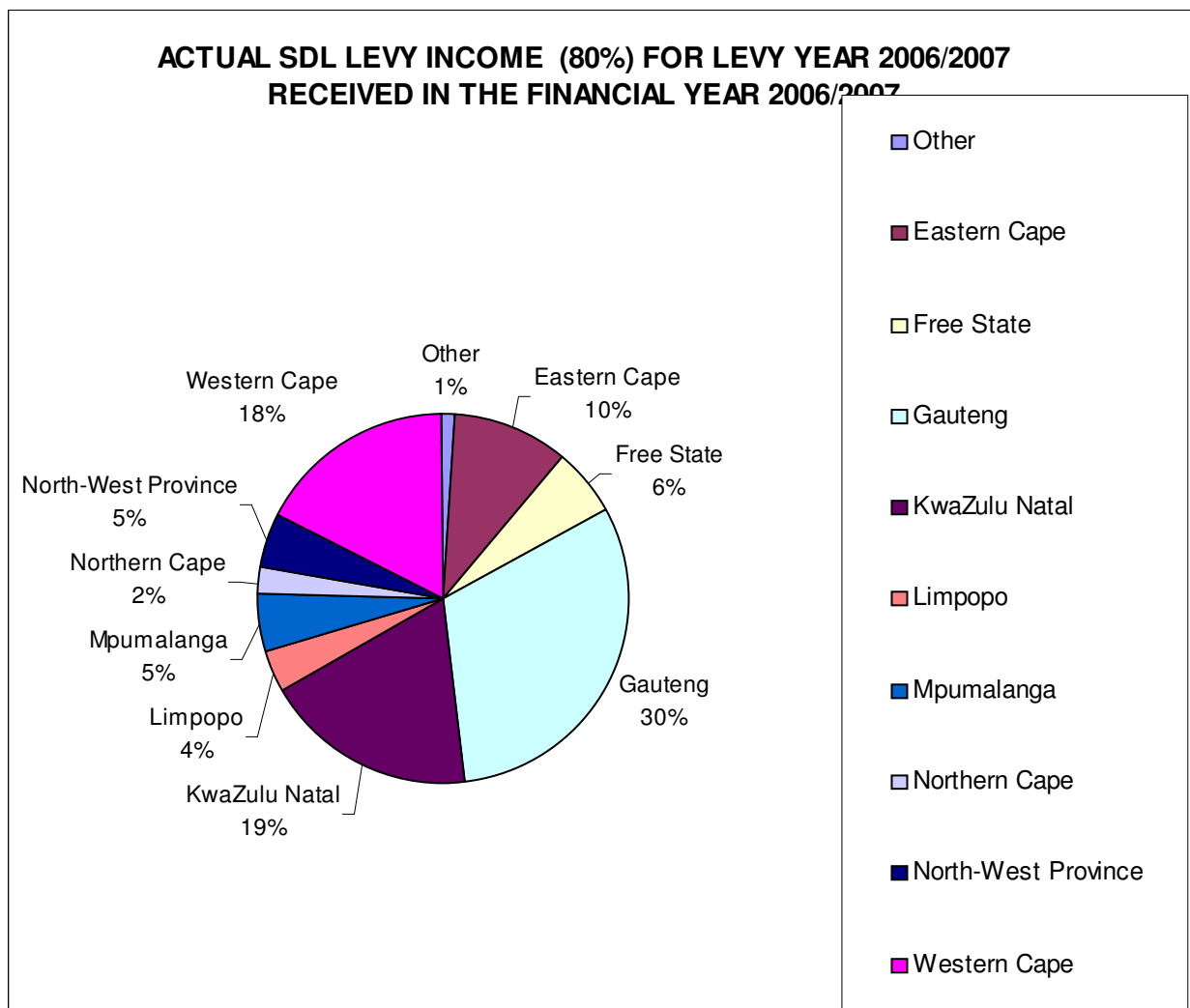
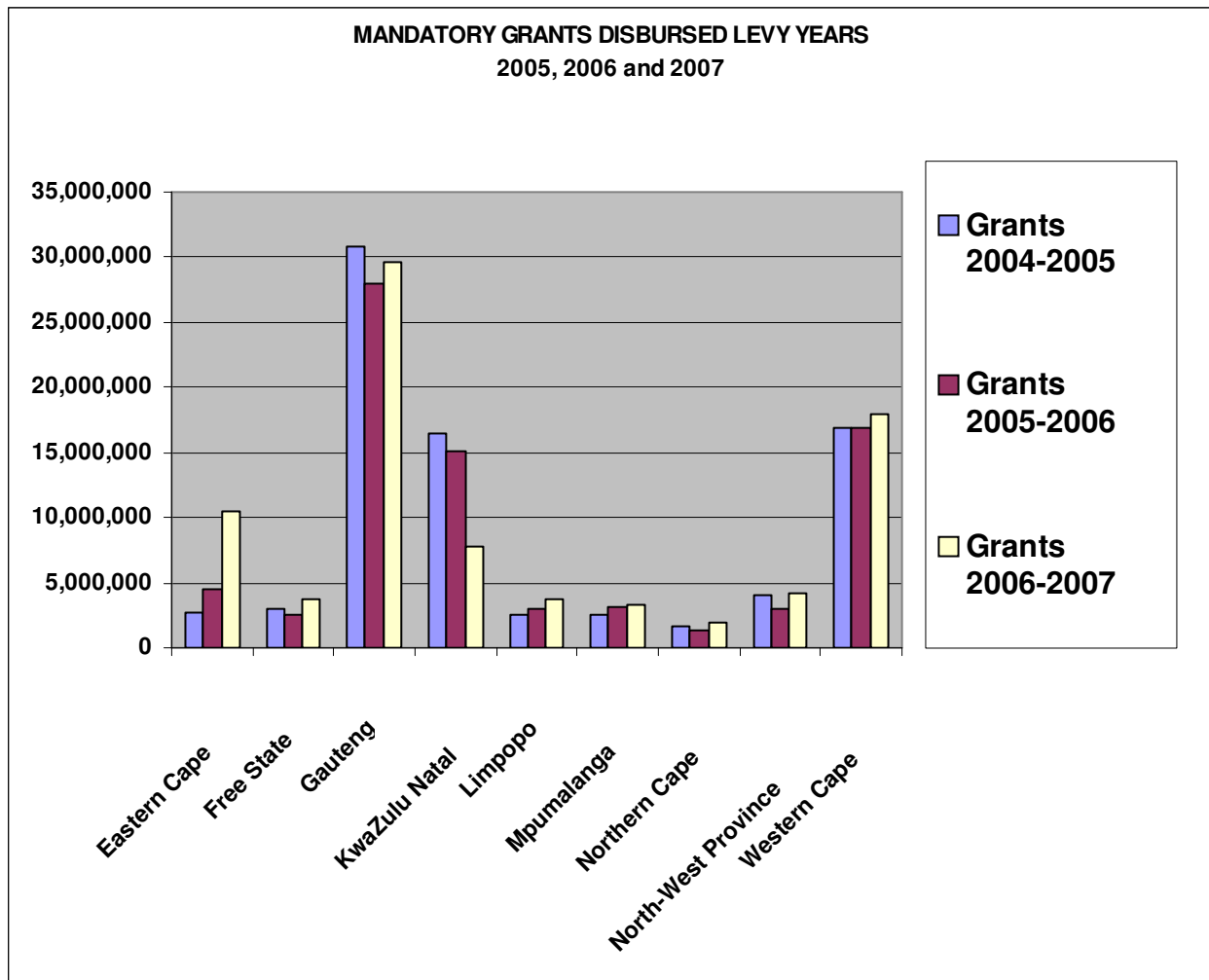


TABLE 10: GRANTS DISBURSED:



Size of the LGSETA – employees

There are approximately 200 000 employees in the sector. It should be noted that the local government sector operates within an inflexible labour market (particularly given the fixed ratio of salary as a proportion of operational budget), in as much as whilst the demand for skills may well exist within the sector, the financial constraints and inefficiencies within operational budgets (particularly smaller municipalities in poorer communities) and the lack of norms and standards, mean that even if the skills required existed within the labour market, the sector would not necessarily employ them.

Operational budgets, which include salaries, are largely constrained by a local authority's ability to raise its own revenue through rates and taxes, or through equitable share transfers from national treasury. The salary bill is restricted to 35% of the operational budget. The poorer the community within which the local authority is located, the more constrained the operational budget. At the same time, aggregated National Treasury figures demonstrate a budgeted surplus of approximately R 4 billion on operational budgets.

Staffing levels within local government have remained relatively stable since 2002, as indicated by the Demarcation Board, and supported by the LGSETAs own analysis of WSPs. However, high vacancy rates over the same period suggest that posts on approved organograms are simply not being filled, particularly in elementary occupations, clerical and plant and machine operators. The slight decrease in average staffing levels in locals, as illustrated in the table below, is due to attrition rather than large scale retrenchments across the sector.

The standard definition of an SMME is an organisation employing between 1 and 49 people. The targets and reporting criteria related to these, as used by the Dept of Labour in terms of the National Skills Development Strategy, is a considerable difficulty for the LGSETA. Only a few organisations, fulfil these criteria. According to DTI estimates approximately 97% of active companies in South Africa in 2004 employed 49 or less staff, yet this same grouping (1 -49 employees) comprises a negligible proportion of the LGSETA's levy base. Yet approximately a third of local authorities, almost all of which employ considerably more than 50 people, according to the Demarcation Board, are severely under-capacitated. DPLG, in terms of its Project Consolidate initiative has identified 136 such local authorities, which are unable to perform satisfactorily against a set of key performance indicators being: municipal transformation and institutional development, municipal financial viability and management, basic service delivery and infrastructure, local economic development, and good governance. In terms of the objectives of capacity building strategies for the sector, and the mandate of local authorities, the focus of the LGSETA strategic interventions and support must be directed towards under performing municipalities, irrespective of their size – not merely focussing on those which employ less than 50 people (an indicator of limited value in the local government sector).

Table 11 : LGSETA Employer by employment size:

1 - 49	50 - 149	150 - 499	500- 999	1000 - 4999	5 000 +
26	98	102	35	17	6

The vast majority (90 %) of the employers (in this sense, the individual local authorities) employ more than 50 employees and therefore, do not fall within the standard definition of small enterprise. It should be noted that approximately half those currently listed as employing between 1 – 49 employees have more than 50 posts listed on their organograms.

TABLE 12: AVERAGE STAFF SIZE BY MUNICIPAL TYPE: (MUNICIPAL DEMARCATION BOARD)

Municipal type	2002	2003	2004
Local municipalities	456	455	453
District municipalities	158	155	169

However, it must be questioned whether local municipalities in particular, are adequately staffed to fulfil their functions. The table below (Municipal Demarcation Board) illustrates the national average number of households per employee by local municipalities:

TABLE 13: NO. OF HOUSEHOLDS PER EMPLOYEE (LOCALS): (MUNICIPAL DEMARCATION BOARD)

2002	2003	2004
2134 households	2113 households	2138 households

The national average number of households hides significant geographical disparities, which are illustrated below:

TABLE 14: NO. OF HOUSEHOLDS PER EMPLOYEE BY DESCRIPTOR: (MUNICIPAL DEMARCATION BOARD)

Descriptor:	No. of households:
Large urban	1 506
Small urban	12 616

ISRDS (largely rural)	9 110
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As would be expected from the tables above, 61% of municipalities are performing 50% or less of their municipal functions (2005/6 Capacity Assessment). Given the staff to household ratio the weakest performers are, understandably, the small urban centres and the ISRDS (Integrated Rural Development Strategy) denominated municipalities. Despite the source for this information being the Demarcation Board these figures should be treated with caution, as these figures seem exceedingly high, given estimates of households in South Africa.

Employment by standard occupational category -:

Almost 44% of employment in the sector is still in the lower end plant and machine operators and elementary occupations. Though only one-fifth of employment resides in the technician and associated professional, professional, senior management and leadership categories, this is where the bulk of skills needs and shortages are. The key findings of the table below are the following:

- Almost 44% of employees are in the elementary occupations, 36% in semi-skilled and 15% in highly-skilled occupations;
 - 41% of jobs are held in elementary occupations by Africans, with a further 22% in semi-skilled and 6% in highly-skilled occupations. These last two categories account respectively for 36% and 15% of all jobs in municipalities; and
 - Males account for almost 75% of all jobs in municipalities. Nearly 36% of all male jobs are in elementary occupations, 26% are in semi-skilled occupations, and 9% in highly-skilled occupations. For females, the respective proportions are 8%, 10%, and 5%.
1. the 'highly-skilled' category refers to workers in the following categories:
 - senior officials and managers
 - professionals
 - technicians/associated professionals
 - skilled agricultural and fishery workers
 2. the 'semi-skilled' category refers to workers in the following categories:
 - clerks
 - service workers
 - craft and related workers
 - plant and machinery workers

Table 15: Percentage Distribution of Workers by Occupational Categories 2004/5

Province/Occupation	%	% Race				% Gender	
		A	C	I	W	M	F
Leadership & Gov.	6%	5%	0%	0%	1%	4%	2%
Senior Off & Man	4%	2%	0%	0%	2%	3%	1%
Professionals	4%	2%	0%	0%	2%	2%	2%
Tech/Ass Prof	8%	3%	2%	0%	3%	5%	3%
Skilled Agric & Fishery	1%	1%	0%	0%	0%	1%	0%
Clerks	15%	9%	2%	1%	3%	5%	10%
Service Workers	13%	9%	2%	0%	2%	11%	2%
Craft & Related	4%	2%	1%	0%	1%	4%	0%
Plant & Machine Ops	7%	5%	1%	0%	0%	6%	0%

Elementary Occs	38%	33%	4%	0%	0%	31%	7%
Total	100%	71%	13%	2%	14%	73%	27%

Table 16: Distribution of Total Employees - All Municipalities, 2005/06

Province/Occupation	%	% Race				% Gender	
		A	C	I	W	M	F
Leadership & Gov.	5%	4%	0%	0%	1%	3%	1%
Senior Off & Man	5%	2%	0%	0%	2%	3%	1%
Professionals	4%	2%	0%	0%	1%	2%	2%
Tech/Ass Prof	8%	3%	2%	0%	2%	5%	3%
Skilled Agric & Fishery	1%	1%	0%	0%	0%	1%	0%
Clerks	17%	10%	2%	1%	4%	6%	11%
Service Workers	12%	8%	2%	0%	2%	9%	2%
Craft & Related	5%	3%	1%	0%	1%	5%	0%
Plant & Machine Ops	6%	5%	1%	0%	0%	6%	0%
Elementary Occs	38%	32%	5%	0%	0%	32%	6%
Total	100%	69%	14%	2%	15%	73%	27%

The sector is notable for its gender imbalances in employment. District councils fare slightly better than locals or metros. However, recruiting patterns indicate that more attention is being placed on the recruitment of women.

Overall, approximately 2% of those employed in the sector are people with disabilities (2002 research findings). However, almost half of those with disabilities are employed in the elementary occupations. From analysis of the data within the LGSETA MIS, it would appear that relatively few of those employed with disabilities appear to benefit from training and skills development opportunities.

As demonstrated in the tables below, however, more significant than retrenchments has been the considerable outflow of skills from the sector because of resignations, particularly from managerial and skilled technical occupations. These will be elaborated on in Chapter 2.

A high proportion of people leaving the sector do so as a result of ill-health or death. One could assume that these deaths are HIV/AIDS linked. There are also significant differences in death rate between district municipalities and local municipalities, possibly linked to the higher proportion of people employed in elementary occupations in local municipalities.

The HIV/AIDS link to the relatively high death rate remains conjecture, as does the linkage between people employed in elementary occupations and the significant differences demonstrated between local municipalities and district municipalities, as certain professional categories (eg. health care workers and teachers) have, in other studies, been demonstrated to have relatively high HIV prevalence rates. However, the Medical Research Council, in 2004 research conducted on behalf of Buffalo City Municipality found that of the sample of 20% of employees tested, 10,3% were HIV positive. Temporary employees had higher incidence of HIV infection than permanent employees. All job bands were infected, but the highest prevalence rates were in the lower skill levels. The HIV/AIDS epidemic in the Buffalo City workplace is

estimated to cost the municipality a further 0.9% of the wage bill through absenteeism, lost productivity, medical costs etc.

In addition to the impact on staffing and staff training, for example, escalating needs for training due to staff replacement, the HIV/AIDS pandemic places an additional strain on the sector given its service delivery focus, with greater demands being placed on health care systems, appropriate housing and water service delivery, increasing demand for child care for affected children etc.

TABLE 17: REASON FOR LEAVING EMPLOYMENT IN THE SECTOR

TOTAL	2004/5	2005/6
Resigned	38%	37%
Retired	23%	21%
Retrenched	11%	1%
Medical Grounds	4%	6%
Dismissed	8%	7%
Death	16%	18%
Other	1%	11%
	100%	100%

Conclusions:

The main drivers of change in the sector arise from the legislative and social policy context, rather than technological or environmental factors, although increasing rapid urbanisation exacerbates the demand for skills linked to planning and infrastructure in metropolitan areas. The size of the labour market within the sector is relatively stable, although characterised by high staff turnover and exceptionally high vacancy rates on approved organograms (resulting in high staff : households served ratios) – mainly in elementary and clerical occupations- positions which do not have high level skill requirements.

Service delivery is hampered not only by staff vacancies, but also by the lack of norms and standards guiding the appointment of staff, and guiding the allocation of numbers and types of posts against service delivery standards and targets. Municipalities are hampered not so much by lack of funds, but by financial inefficiencies and underexpenditure. Although the sector can afford to employ more staff (even with the restrictions on the salary budget), particularly in elementary occupations which are key to the accelerated delivery of services, salary budgets are restricted to 35% of operational expenditure unlike other areas of the public sector.

Recommendations:

- **that municipalities be instructed by DPLG to immediately fill vacant posts, particularly in elementary and clerical categories**
- **That norms and standards be established to guide the appointment of all staff, not just at senior level**
- **That the allocation of posts be clearly linked to service delivery standards and targets**

Chapter Two

DEMAND FOR SKILLS

This chapter draws extensively upon both the sector review conducted during 2002/3 and the analysis of the WSPs, in addition to the stakeholder consultations. In addition, in July/ August 2005 and 2006 a scarce skills questionnaire, based on the Dept of Labour template was distributed to all municipalities in South Africa by the LGSETA provincial offices. The questionnaire requested information on vacancies against occupational title (as per Dept of Labour schedule), and the reason for the vacancies. The findings emerging from the questionnaire distributed at provincial level then formed the base, along with the Provincial Growth and Development Strategies, for provincial stakeholder workshops. Additional information is supplied from an analysis of WSPs received from the sector.

There is a large increase in the demand for skills as a result of the following factors:

- the transformation and restructuring agenda of the sector;
- increased focus on the sector as an implementation agent for national policies
- necessity to eradicate service delivery backlogs
- high staff turn over
- the transformation of human resource management practices; and
- employment equity considerations.

This is in keeping with the core imperatives of the South African state, being:

- deepening of democracy
- social transformation
- equity
- redress

The DPLG National Capacity Building Framework identifies the following Capacity constraints within local government -:

“Individual Capacity

- Lack of **competency** which leads to the inability to simply do tasks
- Poorly defined job descriptions
- **Recruitment and selection** of staff not in line with job descriptions
- Inadequate requisite **technical skills** in critical functional areas.
- Inadequate **knowledge** and information base within municipalities.
- Poor understanding of local government **legal framework**
- Insufficient **expertise** to interpret and translate legislation and policies into action.
- Lack of in-house technical **abilities** to develop systems, support internal processes, perform all the municipal functions and to accommodate new functions.
- Lack of service orientated **attitude and behavior**

Institutional Capacity

- Insufficient **staff contingency** and the seemingly non-availability of appropriate candidates due to the inability to attract such individuals into the local government arena as well as the lack of such trained or graduated individuals.
- Mismatch between the staff contingency (organogram) and the functions to be performed
- Insufficient **strategic leadership** to drive large-scale change-management and developmental processes
- Insufficient **political leadership** capable of guiding the change process.
- Limited understanding of the developmental organisational **purpose and vision**.
- An **organisational culture** that does not uphold the principles of service delivery.
- Bureaucratic and hierarchical structures and systems that limit functional relations and programme and project based activities as created and demanded for within their IDP's.
- Dissipated **organisational memory** due to continues transformation and lack of knowledge management
- Low degree of **internal confidence** and sense of progress
- Lack of requisite internal **operational infrastructure** and technology
- And infrastructure for external **service delivery** to communities
- In some places, **office infrastructure and equipment** needed for minimum operational proficiency; and
- Appropriate consolidation of **systems and structures** necessary to **stabilise finances** and begin to ensure service delivery and development.”

(National Capacity Building Framework, version 1.7.)

According to the Demarcation Board, a multitude of factors affect municipal performance, aside from the skill level and qualifications of their staff. Some of these are:

- The extent of service backlogs to be addressed, along with the availability of financial resources to do so
- The ability of municipalities to generate their own financial reserves vs. their dependence upon equitable share
- The extent of household indigency within a municipal area
- Administrative and political relations
- Management experience and capability
- The efficiency of political decision making
- The quality of the IDP (Integrated Development Plan)
- Efficient, effective, well co-ordinated intergovernmental relations
- Community expectations

The Dept of Provincial and Local Government is currently in the process of finalising a monitoring and evaluation framework, linked to municipal key performance areas to enhance performance management of municipalities. While most municipalities currently have performance management systems in place, they are linked to the assessment of the individual job performance of Section 57 (i.e senior management) employees, and not necessarily to municipal performance. A crucial issue for the sector (indeed for the country as a whole) is not so much how individuals perform within municipalities, but how the municipality itself performs against its key performance areas.

Employment equity considerations

Employment equity is an important driver of scarce skills in the sector. Stable staffing complements limit opportunities for addressing employment equity targets through recruitment

and promotions. The ability to retain senior and competent employees from designated groups, in particular, was seen as problematic. As seen from the above table, a disproportionate number of senior managers and professionals are white, despite a current perception that municipalities are inhibited in their attempts to deliver services by an outflow of skilled white staff previously employed within the sector. Smaller and more rural municipalities face acute shortages of black managers and professionals. These municipalities pointed out that the low skills base in surrounding communities required them to 'import' staff, often at high prices. The problem becomes more acute as other sectors of the economy expand providing more attractive employment options for local government and public sector employees.

This suggests that significant numbers of people in this category are leaving the sector (largely among professionals), and the demand for replacement skills is not being fully met, either through recruitment or through skills development initiatives. Yet, significantly, the vacancy rates recorded are at the lower end of the skills spectrum. This suggests that middle management and senior management positions are being filled, but being filled by less well qualified people. However, it would be simplistic to claim, as much political debate does, that this is a direct result of affirmative action, given the disproportionate number of whites still occupying senior and skilled positions.

Table 18: Percentage of employees by NQF Level

Province/Occupation	NQF Levels - %							
	1 & Bel	2	3	4	5	6	7	8
Leadership & Gov.	0%	1%	0%	1%	1%	1%	0%	0%
Senior Off & Man	0%	0%	0%	0%	1%	1%	1%	0%
Professionals	0%	0%	0%	1%	2%	2%	0%	0%
Tech/Ass Prof	0%	0%	1%	1%	4%	1%	0%	0%
Skilled Agric & Fishery	1%	0%	0%	0%	0%	0%	0%	0%
Clerks	1%	1%	1%	6%	4%	1%	0%	0%
Service Workers	2%	1%	1%	3%	2%	0%	0%	0%
Craft & Related	1%	1%	1%	1%	1%	0%	0%	0%
Plant & Machine Ops	4%	1%	0%	1%	0%	0%	0%	0%
Elementary Occs	34%	4%	3%	2%	1%	0%	0%	0%
	43%	10%	7%	16%	15%	6%	1%	0%

Further investigation in 2005 suggests that posts in elementary and clerical positions are simply not filled, as they are viewed as being 'non-essential' allowing scope for salary budgets to be diverted to other occupational categories, particularly senior management level.

The implications of this for service delivery are profound, as far from these posts being 'non-essential' they are key to municipal capacity, particularly when contrasted with the tables 12 and 13 in chapter 1, illustrating numbers of employees per household. These vacancies are being incorrectly recorded on WSPs as being due to skills shortages, when they are de facto 'frozen', as little attempt is made to recruit to fill the vacancies. This phenomenon could indeed be one of the keys to the lack of municipal delivery.

TABLE 19: DISTRIBUTION OF UNFILLED POSITIONS FOR ALL MUNICIPALITIES BY OCCUPATION 2004/5

Province/Occupation	Reason for Position being Unfilled - %		
	Skills Shortage	EE	Other
Leadership & Gov.	0%	0%	0%
Senior Off & Man	1%	1%	3%
Professionals	4%	2%	5%
Tech/Ass Prof	7%	1%	5%
Skilled Agric & Fishery	0%	0%	0%
Clerks	7%	2%	9%
Service Workers	3%	1%	4%
Craft & Related	2%	1%	3%
Plant & Machine Ops	2%	1%	4%
Elementary Occs	11%	3%	20%
	37%	11%	52%

TABLE 20: DISTRIBUTION OF UNFILLED POSITIONS FOR ALL MUNICIPALITIES BY OCCUPATION 2005/6

Province/Occupation	Reason for Position being Unfilled - %		
	Skills Shortage	EE	Other
Leadership & Gov.	0%	0%	2%
Senior Off & Man	1%	1%	5%
Professionals	2%	1%	6%
Tech/Ass Prof	4%	3%	7%
Skilled Agric & Fishery	1%	1%	2%
Clerks	4%	1%	17%
Service Workers	4%	1%	6%
Craft & Related	1%	0%	2%
Plant & Machine Ops	3%	0%	2%
Elementary Occs	7%	4%	12%
	27%	12%	61%

Turnover problems

The significant number of people leaving the sector because of resignations was demonstrated in Chapter One.

Sixty percent of respondents (2003) reported high turnover of professional staff, suggesting that this is a serious problem for the sector. This is supported by the high vacancy rates demonstrated on the WSPs. The reasons given for high turnover in municipalities were: remuneration, a lack of development and career progression opportunities, a lack of recognition of staff achievements, poor people management practices and a failure to clarify employee roles and responsibilities. Together with resignations and death rates, this generates a high level of demand for replacement skills.

In the 2002/3 interviews upon which the table was based chronic illness was reasonably low in the rankings as a reason for leaving, in stark contrast to the 2003/4 WSP analysis which established that 24% of those leaving the sector were doing so because they were dying. This

number would appear to have subsequently declined, although the number of people leaving the sector for unspecified reasons has increased.

The greatest problems with acquiring and retaining skills has been in the occupational categories of professionals, senior management, technicians and associated professionals. This outcome is expected given widespread evidence of skills shortages in these high-end occupations across the economy. The preliminary 2007/8 WSP analysis indicates that municipalities are increasingly unable to match the salaries paid by the private sector to finance specialists, engineers and artisans. The Western Cape and Gauteng, in particular, appear to be experiencing a similar shortage for similar reasons, among primary health care staff.

Shortages of artisans in certain trades are widely reported (particularly plumbing and electrical), as are fire fighters and certain categories of medical care and rescue jobs that fall under the service worker occupational category. Municipal planning functions (urban planning, Local Economic Development, property valuation and management) are underserved. Municipal technical services and engineering services are coming under increased pressure as the demand for service delivery increases. According to the Demarcation Board, municipal public health functions are not being adequately fulfilled. This is supported by the 2007/8 WSP analysis which indicates areas of skill scarcity in public/ environmental health. In community services librarians and library assistants are in short supply as are horticulturalists in the parks and recreation area.

Table 21:

Priority Skills (job titles)
Chairpersons of Audit Committees
Financial directors/managers, heads of departments/divisions, general managers
Engineers, accountants, economists, nurses, town planners, LED specialists, fire chiefs and librarians, horticulturalists, land surveyors
Financial officers, human resources officers, IT professionals, engineers / technicians and supervisors, paramedics
Financial clerks, general clerks
Fire fighters, traffic and police officers
Electricians and plumbers
Water works operators, sewerage works operators, plant operators, heavy duty vehicle drivers

It is noticeable that the majority of the scarce skills areas listed, at all levels, presuppose a level of mathematical and scientific literacy to enable access to further training and skills development opportunities. The HSRC HRD Survey (2003) notes the low level of public understanding of science in South Africa, particularly among the youth. Additionally, the survey notes the relatively poor achievements of South African school children on standardised maths and science achievement tests, along with the shortage of qualified maths and science educators both at school and tertiary level. The need for computer literacy, ABET and communication skills are identified as critical skills across occupations and occupational categories.

Disturbingly, at the most senior level of local government management – municipal managers, the Demarcation Board noted in the 2004 review, that 37.4% of all municipal managers had less than 5 years experience in local government i.e entered the sector after the last local government elections. This is supported by the DPLG M and E report finding that the tendency is not to renew Section 57 contracts after the initial five year period.

The same Demarcation Board review reported that whilst 82% of municipal finance managers (CFOs) had finance related qualifications, 59% of those were at NQF 4. It is questionable

whether this is an appropriate level of qualification given the scale and complexity of municipal financial operations.

SKILLS REQUIREMENTS BY FUNCTIONAL AREA(CLUSTERED BY KEY PERFORMANCE AREA WHERE APPROPRIATE):

KEY PERFORMANCE AREA : GOOD GOVERNANCE:

LEADERSHIP AND GOVERNANCE (EXECUTIVE AND COUNCIL):

In the case of the LGSETA, this relates predominantly to councillors, but would also include ward committees and traditional leaders. Some of the key challenges that have been noted by Project Consolidate are:

- Inadequate legal support and advice to support Council decision making
- Uneven enforcement of the Councillors Code of Conduct
- Poor role clarification of councillors
- Poor functionality of Ward Committees, which are often deemed peripheral and marginalised in consultative processes (eg IDPs)
- Inadequate interaction between ward councillors, ward committees and officials

There are some 9 000 councillors in South Africa in a leadership role at the 283 councils. Mindful of this the DPLG has initiated the Local Government Leadership Academy (LOGOLA) initiative and on the instruction of the Minister, developed a qualification in transformational leadership registered with SAQA. Whilst there is no current classification on the Organising Framework for Occupations (OFO) for ward committee members they form a crucial component of the system of participatory local government, and are essential for the effective functioning of municipal systems. There are close to 4 000 ward committees established country wide, with approximately 40 000 ward committee members. DPLG notes, that whilst 96% of ward committees are established they are characterised by a relatively low level of functionality pointing to a great need for training and skills development in this area.

(see Chapter 4)

“Councilor experience and education levels

More than 60% of councilors in all provinces are first term local government political office bearers, hence political experience and experience in local government systems and processes must be developed. 5% of councilors only have primary school qualifications, hence there is a need to continue with adult basic education training (ABET). A significant number (45%) of councilors have varying levels of secondary school qualifications, indicating a need for general education and training (GETC) competence. Quite a large number (49%) of councilors have tertiary qualifications. It would appear as if councilors with higher qualifications stand a better chance of serving in mayoral committees or executive committees.

SKILLS AND TRAINING REQUIRED

32% of councilors indicated the need to be trained in ABET. There is overwhelming support for training and education to be conducted within the categories introduction to local government, leadership development, communication skills, HIV/AIDS and disaster management, LED and procurement, municipal finance management, municipal service delivery, strategic planning, local government law and project management. “

(extract from a report prepared for SALGA on Councillor Profiling)

Whilst councillors do not constitute a ‘scarce skill’ in the Dept of Labour definition, along with ward committee members, they do constitute an area of skills focus, particularly in the context of recent local government elections and the primary importance of councillors in political leadership positions at local level.

The following are listed as key councillor skills needs:

TABLE 23:

Top 5 skills needs	Top 5 generic skills needs	Main technical skills needs
1. Management skills	1. Customer service skills	Community facilitation skills
2. Communication skills	2. Community awareness skills	Legislative and contextual knowledge with particular reference to social policy
3. Financial manage skills	3. Report writing skills	Community facilitation skills
4. Life skills	4. IT skills	Conflict resolution skills
5. Political skills	5. Analytical skills	

In addition, a level of more intensive technical skill and understanding is required, dependent upon the individual portfolio held by the councillor within the council e.g the infrastructure portfolio requires a knowledge of contract management, housing, the human resource development portfolio a knowledge of the NSDS and Skills Development Act, audit committee knowledge of auditing procedures etc.

DPLG has argued for the following skills priorities:

- Strategic management skills, including policy skills and those needed to lead, develop, monitor and evaluate IDP’s;
- Financial management skills;
- Contract management skills with particular emphasis on building good procurement practices;
- the development of political and administrative leadership in the sector;
- Project management skills.
- Research and policy skills, linked to conceptual, analytical and problem solving skills for sector decision makers

KEY PERFORMANCE AREA : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT:

SENIOR OFFICIALS AND MANAGERS:

MUNICIPAL MANAGERS

The qualifications profile of municipal managers, as per WSP submissions is listed below:

TABLE 24:

Up to NQF 1	NQF 2	NQF 3	NQF 4	NQF 5	NQF 6	NQF 7	NQF 8
0.2%	0%	0.7%	6.7%	17%	40.8%	20.5%	14.1%

It should be noted that the Demarcation Board review (which excludes metros) for the same period did not disclose the '0.2% up to NQF 1 ' which could be the result of an error in the completion of the WSPs, or as a result of stated qualifications not being verified by the Demarcation Board. Aside from this there is a high level of congruence in the findings. However, the Demarcation Board review with its added focus on years of local government experience, is more textured than any analysis currently possible of the WSPs as years of experience is not explored in the WSP template. In addition, the WSP focuses on qualification by NQF band, not particularly on type of qualification. Currently, to establish the skills fit between individuals occupying posts and job descriptions for those posts a comprehensive skills audit of the sector, across all occupational categories is required (to be dealt with in Chapter 4). Whilst a comprehensive skills audit is effectively a precondition for the completion of the WSP, it should not be assumed that municipalities regularly do skills audits with any degree of thoroughness.

MUNICIPAL MANAGERS BY YEARS OF EXPERIENCE IN LOCAL GOVERNMENT(DEMARCATION BOARD):

TABLE 25

Years experience	0-5	6-11	12- 18	19-24	25- 31	32 - 40
%	37.4	36.7	8.99	6.83	8.63	1.44

MUNICIPAL MANAGERS BY TYPE OF QUALIFICATION:

TABLE 26:

Qualification type	No data	teaching	finance	legal	Public administration	other
%	1.4	14.0	9.7	13.7	37.1	24.1

Few municipal managers have specialist management qualifications of any type. Public administration' cannot necessarily be equated with 'management within the local government sector'. In addition to a strong focus on leadership skills, policy, planning, monitoring and evaluation skills and corporate governance knowledge and skills, are important .

The lack of experience within local government is a source for concern when looking at the profile of municipal managers, as this indicates a certain lack of organisational stability. Project consolidate notes in relation to management and institutional development :

- that there is a lack of accountability mechanisms within the work place to ensure performance
- performance agreements have not been concluded, hampering the implementation of performance assessment
- organisational structures are not finalised, or are incomplete
- labour disputes and disciplinary issues remain unresolved for extended periods of time
- lack of support for individual career development and career pathing
- inadequate staff recruitment and retention

KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

MUNICIPAL FINANCE:

The Demarcation Board reports the level of municipal finance managers qualifications as follows:

TABLE 27:

qualification	No data	matric	Matric + certificate	degree	Degree + diploma	Post – grad degree	Post – grad + diploma
%	1.8	11.5	25.9	34.2	10.8	12.6	3.2

59% of municipal finance managers have less than 11 years in local government. 82% of municipal finance managers have a finance qualification, however in North West Province only 62% of finance managers have an associated qualification.

A Deloitte project completion report, compiled for DPLG in October 2004, states the following training needs within the area of municipal finance:

- Compiling asset registers
- GAMAP training
- FINSTEL
- MFMA
- Compiling budgets and financial statements
- Cash flow management
- Supply chain policy and procurement
- Development of revenue strategies
- Preparation of management reports
- Analysing and interpreting financial statements
- Bank reconciliations
- credit control
- cost accounting

Project Consolidate notes the following:

“While there are financial resource scarcity challenges at local government level, the lack of financial resources does not always constitute the primary challenge to performance in municipalities” and that annual financial statements and budgets are often inadequately prepared, resulting in audit qualifications. This is supported by the National Treasury analysis of the municipal financial statements and budgets.

Many of the vacancies recorded within the ‘clerical’ category would affect the capacity of a municipality to implement appropriate revenue strategies. Appropriate career pathing opportunities and recognition of prior learning is important in this area. The LGSETA is currently developing a career path for municipal finance and administration, commencing with a proposed NQF 3 qualification in Municipal Operations, which would assist with financial administration.

HUMAN RESOURCES:

Despite a freely acknowledged key challenge for the sector being poorly designed organisational structures in relation to meeting service delivery demands, long delays in resolving disputes and inadequately enforced performance standards, poor career pathing etc, little attention is focussed on human resources management skills. Yet, the reasons given for high staff turnover

in municipalities and an inability to attract and retain skills all speak to an inadequate skills base among human resource practitioners within local government, i.e. remuneration, a lack of development and career progression opportunities, a lack of recognition of staff achievements, poor people management practices and a failure to clarify employee roles and responsibilities.

Although human resource related issues pose key impediments to the stability and capacity of a municipality to fulfil its functions, human resource departments are seen as having a limited supportive role, rather than a more directive and strategic role. Municipal finance managers tend to have more influence (by virtue of their final responsibility for budgeting and budget control) over organograms, recruitment , and training than the human resources manager or the Skills Development Facilitator. In the majority of municipalities, the human resources manager/director tends to be the least qualified of managers often not possessing specific human resource skills at all. Human resource management and development systems in local government tend to be underdeveloped, leading to diminished performance both by individuals and the organisation. The establishment of a single public service with uniform conditions of service, particularly in the areas of remuneration, pensions and medical aid will further tax the limited human resource management capacity within municipalities.

Training systems within local government are poorly developed. Training committees, which convene as a sub- committee of the Local Labour Forum, often meet irregularly and are poorly capacitated. There is a very high turn-over rate among nominated Skills Development Facilitators which retards efforts to build the capacity of SDFs. The SDFs are often fairly junior staff members, as the function is not seen as being a strategic one, but tends to hinge on compliance.

With certain notable exceptions (eg Buffalo City where the work place HIV/AIDS strategy has been adopted by the SA Cities Network as a “best practice”model) there appears to be limited attention to planning for the prevention, treatment and counselling of HIV/AIDS amongst local government, given what must be assumed to be very high HIV prevalence rates demonstrated by the high death rate of economically active people employed within the sector.

INFORMATION AND COMMUNICATION TECHNOLOGY:

IT and MIS infrastructure within local government tends to be poorly developed, with 50% of municipalities not having budgets for IT hardware. ICT skills (basic computer literacy), along with ABET, are key skills requirements identified across occupations within the LG sector.

The poorly developed IT systems within the sector severely hampers municipal planning functions, particularly with regard to social planning and service delivery, municipal finances and the technical services area where GIS systems are important. Basic record keeping within municipalities is viewed as being a challenge for the sector, in particular financial and personnel records. Database administrators and IT systems administrators are occupations showing vacancy rates within the local government sector.

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE:

TECHNICAL SERVICES, CIVIL ENGINEERING AND PROJECT MANAGEMENT:

This functional area is particularly important, linking as it does with the provision of infrastructure and basic service delivery. This is an area which is greatly affected by the vacancy rates in elementary occupations, in addition to professionals.

According to SAICE May 2005 research, 78 municipalities have no civil engineering professionals i.e no engineers, technologists or technicians. A further 49 municipalities have only 1 civil technician on their staff. Municipalities report an average 35% vacancy rate among

professional staff in technical services (approximately 600 posts). In addition to the obvious lack of civil engineering design and implementation skills, this leaves municipalities with little expertise in project and contract management and in a weakened position when it comes to supervising outsourced functions/ projects. Supervisory, management and planning skills are noted as being weak in this functional area, along with the need to provide ongoing professional development and mentoring of employees. Planning processes are often outsourced, frequently with very poor results.

The following data comes from the SAICE research.

Engineering professionals employed in local government

TABLE 28:

	engineers	technologists	technicians	total
district	43	43	154	240
local	98	100	377	575
metro	240	226	253	719
total	381	369	784	1534

‘ Top up’ skills are required in certain specialist areas such as labour intensive construction.

- Pre-&-post commissioning skills -:
 - Specialist contracting skills, including clear specification of objectives, targets, activities, outputs and outcomes
 - Contract management skills - performance monitoring, customer management, contract compliance, contract re-negotiation, dispute resolution, impact evaluations
 - Labour intensive construction
 - Understanding of and skills to deliver effectively through partnerships;
 - Infrastructure asset maintenance
 - Service level agreements themselves need to incorporate requirements for the private operator to develop the related capacity and skills of the municipality;
 - Regulatory capacity, which includes the systems and skills to effectively monitor, evaluate and negotiate corrective action against service level agreement objectives and targets;
- **Roads:**

Roads, of which there are approximately 165 000 kms of urban roads in South Africa, along with sanitation and water, can be supported from the Municipal Infrastructure Grant, to support the extension of basic services to every South African household by 2013. Roads, pavements, bridges and stormwater account for the largest share of the municipal capital budgets at R 2,8 billion. The MIG demands the application of labour intensive construction processes, and demands high levels of both project and contract management ability, in addition to the specialist skills required in road engineering.

- **Electricity:**

Bulk electricity purchases constitute 16% of the expenditure on municipal operating budgets, and sales of electricity contribute 27% of the income on the operational budgets. However, municipal electricity is characterised by ageing electricity networks and infrastructure, inadequate to meet growing demand. 21% of urban households and 68% of rural households lack electricity supply, or 3,65 million households. Electricians and electrical engineers are in short supply within the sector.

Frequent power failures have significant economic and social impact. A recent National Electricity Regulator commissioned report on City Power found that in addition to ageing infrastructure, personnel were often not available to conduct maintenance, that the working environment within substations was often uncontrolled and unsafe, and maintenance standards and procedures could not be ascertained. The report noted the ageing profile of the maintenance and field staff, suggesting the recruitment of younger staff to “shadow” and be mentored by more experienced senior staff in the field. This is a source of concern as the maintenance and operations of the electricity supply remains a local government function.

Electricity skills priorities

TABLE 29:

Main technical skills needs
Electrical, mechanical engineers/ technicians
Electricians
Fault finding skills
Robots and meters
Electronic systems usage
switching
Asset maintenance and management
Contract management
Environmental protection
Health and safety
Meter readers

In addition, there is a need in the electrical area for continuing professional development and updating skills as new equipment gets introduced.

- **Water, waste ,environment and sanitation**

The bucket sanitation system continues to be utilised, even in newly developed residential areas, where resources are available to improve sanitation. Refuse removal has been noted as being a poor and unreliable service, particularly in poorer communities and low income housing areas. Both inadequate sanitation and poor refuse removal pose severe environmental threats.

Water, waste ,environment and sanitation skills priorities

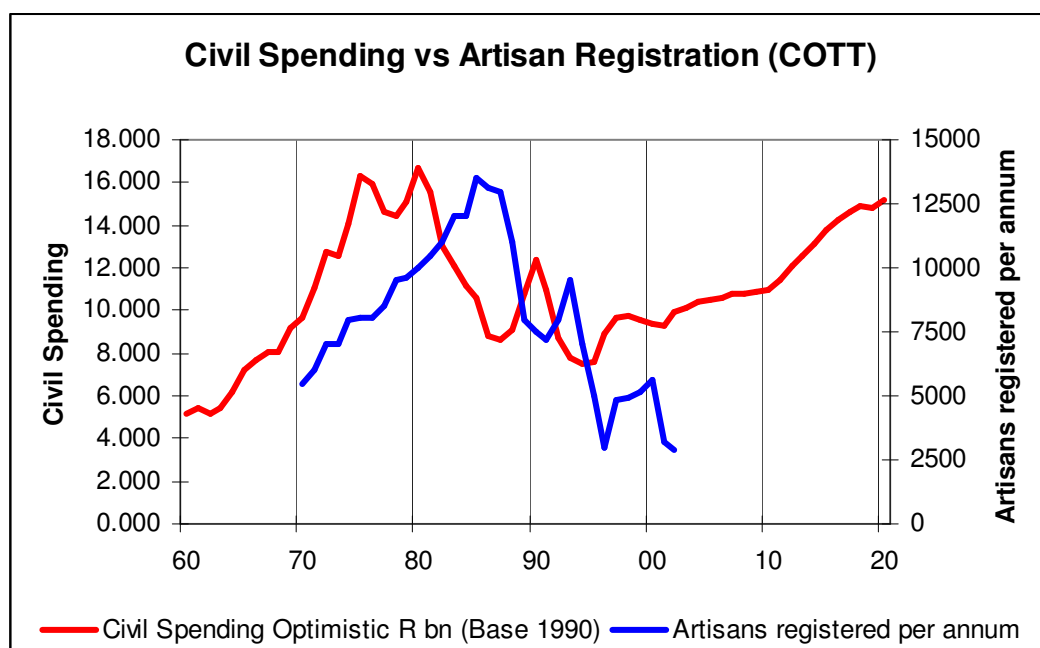
TABLE 30:

Basic science knowledge
civil engineering/ technicians
Instrumentation mechanic
Valve-hydraulics
Welding and plumbing
plant maintenance management and operator skills
Water conservation skills

Water purification and sanitation techniques
Water treatment processes (chemical treatment)
Hazardous chemicals handling
Filtration
Waste treatment
Waste handling (including hazardous)
Waste management
Infrastructure asset maintenance and management
Occupational health and safety
Heavy duty vehicle drivers

In the technical services ABET, Recognition of Prior Learning and appropriate career pathing opportunities are particularly important.

There has been a steady decline in artisanal training as demonstrated in the figure below.



(Lawless, 2006)

Artisans, skilled and semi-skilled in local government, October 2006

Type of training	NQF level	Artisan type	Filled	Vacant	Vac as % total	Totals
Artisan	NQF4	Boilermaker/Welder	101	61	38%	162
Artisan	NQF4	Bricklayer	95	26	21%	121
Artisan	NQF4	Carpenter	76	40	34%	116
Artisan	NQF4	Electrician	2233	1068	32%	3300
Skills programme	NQF1	Fence maker	51	18	25%	69
Artisan	NQF4	Fitter & Turner	210	112	35%	321
Artisan	NQF4	Instrument Mechanician	14	22	61%	37
Skills programme	NQF1	Machine operator	741	222	23%	963
Artisan	NQF4	Mason	206	138	40%	344
Artisan	NQF4	Mechanic	420	189	31%	609
Artisan	NQF4	Millwright	14	32	69%	46
Artisan	NQF4	Painter	9	15	62%	25

Artisan	NQF4	Plumbing, water service hand, pipe layer	2127	1095	34%	3222
Skills programme	NQF1	Road Maintenance and construction	1417	578	29%	1995
Artisan	NQF4	Senior artisans unspecified	176	139	44%	315
Learnership	NQF2	Treatment works operator, process controller	2086	713	25%	2799
License	NQF1	Truck driver	2404	246	9%	2650
Totals			12380	4713		17093

- **Health, Emergency Services, Disaster Management and Public Safety:**

According to the Demarcation Board assessment of Municipal Capacity, the area of municipal health functions is under served. At the same time it is an area where staff require constant updating of skills to keep abreast of technological advances, new clinical requirements and protocols, policy changes etc. Although municipal health functions have been finalised and include: water and air quality monitoring, health surveillance of premises including crèches and outlets selling food, waste and hazardous materials management, disposal of the dead, and the control of pests and communicable diseases , several challenges to municipal health remain.

These include, according to the 2005 SA Health Review,

- the finalisation of the funding for municipal health services, including those conducted on an agency basis for Provinces eg primary health care, emergency and ambulance services;
- the elimination of the fragmentation of services, strengthening the quality of care at local level and strengthening community participation.

A major stumbling block to the effective implementation of municipal health services is the lack of staffing norms for local government. According to the 2005 Health Review there are only 600 environmental health officers employed through out the public service, with the lowest number being indicated for Gauteng and Western Cape. No training is currently available for Environmental Health Assistants. In addition to municipal health functions, local government provides a number of primary health care functions on an agency basis for Provinces eg immunisations, health promotion etc and emergency services. The country wide shortage of primary health care practitioners affects those areas where local government conducts those functions on an agency basis for Province.

In terms of the integrated development planning processes, municipalities are required to prepare and submit disaster management plans which should be subject to annual review. The implementation of these plans requires extensive intergovernmental co-ordination in relation to emergency management services. Countrywide shortages are indicated of fire and rescue personnel and emergency care workers (see Chapter 4). The level of training acquired by emergency services personnel defines their scope of practice, ranging from basic through to advanced life support (paramedic). National diplomas and B Tech qualifications are available.

SKILLS REQUIRED: HEALTH AND EMERGENCY SERVICES

TABLE 31:

Testing and sampling processes and techniques (air and water)
Environmental impact assessment
Pollution control
Laboratory technicians
Occupational health and safety requirements
Incident management
Hazardous materials
Advanced rescue
Specialised rescue equipment
HIV/Aids
Clinical skills
supervisory
Specialist management

MUNICIPAL PLANNING AND DEVELOPMENT(INCLUDING LED):

This key performance area, for the purposes of this report, includes municipal planning processes, including integrated development planning and local economic development.

In terms of the integrated development planning processes municipalities are obliged to prepare disaster management plans, spatial development plans, transport plans and waste management plans. In addition, those municipalities that are water service authorities are required to submit water service plans.

The following weaknesses have been noted in relation to municipal planning and the integrated development planning process :

- Many municipalities are simply going through the motions to meet legislative requirements and deadlines
- IDP's are generally not backed by coherent development strategies. The focus on economic recovery or regeneration and attracting investment is limited
- Baseline data and information is weak or unavailable, which means that IDP's are often not empirically rooted
- IDP planning processes are weak - IDP's are often the product of a single department within municipalities, rather than the strategic blueprint of the municipality
- budgets are poorly linked to IDP's
- Monitoring and evaluation systems are absent or weak
- Limited understanding of local economic potential
- Long term economic management receives little attention
- Little emphasis on the role played by municipalities with regard to skills development and sustainable employment creation
- Inadequate appreciation of the linkage between reliable service delivery, infrastructure and local economic development

Most municipalities have little economic strategy for their operating areas. The emphasis appears to be far more on piecemeal and narrow projects that are not linked to wider community and regional economic initiatives.

LED skills priorities

TABLE 32

Top 5 skills needs	Other generic skills needs	Main technical skills needs
1. Management skills	1. Community awareness	Research and policy skills
2. Technical skills	2. Report writing skills	Economic and LED knowledge
3. IT skills	3. Planning/organising skills	Town planning skills; integrated planning and development skills
4. Communication skills	4. Problem solving skills	Negotiating skills
5. Financial manage skills	5. Analytical skills	Evaluation skills
	6. GIS	Administrative skills
		Marketing skills
		Property valuation
		Property management (social housing)

Conclusion:

It should be noted that the local government sector operates within an inflexible labour market, in as much as whilst the need for skills may well exist within the sector, the financial constraints and inefficiencies within operational budgets mean that even if the skills required existed within the labour market, the sector would not necessarily employ them. High vacancy rates in the sector are not necessarily a result of skills shortages within the labour market.

In addition, the lack of staffing norms for local government mean that vacancy rates (or conversely the number and types of posts filled) alone cannot successfully be used as an indicator of skills need within local government.

In general, high skills demand is the result of upgrading service delivery methods (and the increased demand for services) linked to the restructuring of internal work environments, which has resulted in new job requirements and legislative and constitutional changes. As a result of rapid restructuring a mismatch has arisen in many cases between organisational organograms, incumbents of posts, job descriptions and qualifications required to fulfil certain functions.

Recommendations:

- that the skills audit process be rolled out across the sector by DPLG as a matter of extreme urgency
- That the LGSETA continue to assist DPLG in the skills audit process
- That the skills audit process be used to assist with the establishment of staffing norms

CHAPTER 3

THE SUPPLY OF SKILLS

Introduction

This chapter examines the supply of training and skills, and relies on the Sector Review conducted during 2002/3, the provider readiness survey conducted by the LGWSETA during 2002, the analysis of the WSPs, and focussed research conducted into training provision within the sector, and the contribution of the LGSETA ETQA and Learnership Departments.

Current supply of skills in the sector (by qualification)

The qualifications profile of local government workers is as follows:

- Up to NQF1: 12%
- NQF2: 3%
- NQF3: 7%
- NQF4: 20%
- NQF5: 26%
- NQF6: 26%
- NQF7: 6%
- NQF8: 0.6%

(Note that employees with less than NQF1, a significant proportion of employees, are not included here.)

Supply of skills – recruitment patterns

As stated in previous chapters, the sector is not undergoing, or poised for, major expansion in terms of employment growth, despite arguments which can be made for the need to expand employment within the sector. Recruitment into the sector is reasonably limited, and is focussed on skills replacement. The bulk of the recruitment in the local government sector is in the following categories: elementary occupations (30%) vs 44% of posts at this level; clerks and service workers (21%) vs 36% of posts at this level; senior officials and managers (11%) vs 15% of posts at this level. With the exception of the senior officials and managers, it is clear that recruitment patterns do not relate to the distribution of posts. There is a significant level of

‘under recruitment’ in less skilled posts, doubtless contributing to the high vacancy rates in these categories

Table 33. New recruits – all municipalities (2003/4)

Occupation	%	Race				Gender	
		A	C	I	W	M	F
ALL MUNICIPALITIES							
Leadership and governance	0.4	0.2	0.0	0.0	0.2	0.2	0.2
Senior officials and managers	10.7	8.5	0.6	0.4	1.2	7.0	3.7
Professionals	5.8	4.6	0.4	0.3	0.6	2.5	3.3
Technicians/associated professionals	7.4	5.5	0.1	0.9	0.9	3.9	3.5
Skilled agric and fishery workers	0.1	0.1	0.0	0.0	0.0	0.1	0.0
Clerks	21.8	16.9	2.0	1.9	1.0	9.7	12.1
Service workers	20.6	17.9	0.9	0.3	1.6	13.0	7.6

Craft and related workers	1.8	1.7	0.1	0.0	0.1	1.6	0.3
Plant, machine operators	1.6	1.1	0.4	0.0	0.1	1.6	0.0
Elementary occupations	29.8	26.4	3.1	0.1	0.2	21.3	8.5
Total	100.0	82.9	7.6	3.9	5.9	60.9	39.2

Significantly, relatively high numbers of women were being recruited across the sector suggesting a greater sensitivity to employment equity requirements. This suggests that the gender imbalances within the sector, along with the disproportionately high number of white males in senior management positions is part of the apartheid legacy, rather than a result of current recruiting practices.

New labour market entrants – 2003/4 WSP analysis

The numbers of new labour market entrants in each municipality and province are too small to determine any significant sectoral trends. In fact there was a total of only 465 new labour market entrants in the entire sample. Moreover, there is some doubt about the reliability of the data especially with regard to how a 'new labour market entrant' was defined by each respondent. It is likely that some respondents may have interpreted this to mean 'new employee'.

The bulk of the new labour market entrants in the sample were distributed amongst the Amatole District Municipality (61); Mangaung Local Municipality (22); Mafikeng Local Municipality (45); and Johannesburg Metro (69).

Amongst these, the significant sectors were client services (Amatole and Mafikeng); Community Development (Mangaung and Johannesburg); public safety (Mafikeng); and health care (Johannesburg).

The system of internship within local government is not at all developed. In terms of the sample few trends can be established given the small number of interns (only 111) in total. In addition, there is a possible lack of clarity around the definition 'intern' with most employers seeming to interpret this as being people on 18.2 learnerships.

The significant sectors from this small sample appear to be client services, community development, and to a lesser extent public safety and LED.

The only significant findings, other than those listed above, are the following:

1. Local municipalities appear to have the bulk of the interns in the local government sector.
2. The Johannesburg Metro has most of its (small number of) recruits in 'Client Services'.

- **Amount of training**

Though the actual numbers need to be treated with some caution, it seems that between 15% and 20% of the local government workforce receive training annually.

Table 34: Staff trained as a percentage of total provincial staff -

Province	% of total provincial staff trained
Limpopo	38%
Western Cape	35%
Northern Cape	32%
North West	30%
Eastern Cape	28%
Kwazulu Natal	22%
Free State	22%
Mpumalanga	20%
Gauteng	12%

Three provinces, Gauteng, Kwazulu Natal and the Western Cape, account for 77% of the total number of staff trained in the table above.

Tables 37 above and 38 below are drawn from the 2003/4 WSP analysis, and demonstrate the distribution of training beneficiaries by occupational category:

Table 35: Percentage distribution of beneficiaries to be trained for all municipalities by occupation

Occupation	%
Leadership and governance	10.38
Senior officials and managers	5.59
Professionals	6.65
Technicians/associated professionals	12.27
Skilled agric and fishery workers	2.88
Clerks	12.90
Service workers	7.99
Craft and related workers	4.34
Plant, machine operators	9.55
Elementary occupations	27.46
Total	100.00

The following findings emerged from the WSP analysis:

1. Although there is no dominant trend, many municipalities have prioritised management/ leadership and project management/planning training. The important question though is the degree to which this training was structured, and appropriate or simply “sit-by-Nellie” type on-the-job training.

To provide more detailed information on the type of training, the 2003/4 further analysis was undertaken. A large amount of the training taking place within the sector lies outside of the LGSETAs focus areas, necessitating a broad based approach to inter SETA collaboration, and the entering into Memoranda of Understanding with at least 17 other SETAs.

- **Modes of training**

Informal on-the-job training is the dominant mode of training in the sector. This training is often viewed with a high degree of scepticism, arguing that it typifies informal “sit-by-nellie” type training, makes little difference to their work performance, and fails to recognise learning achievement and to provide career progression and remuneration benefits.

- Apprentices

Table 36:

Name of trade	2003	2004	2005
Auto Electrician	10	5	16
Boilermaker	3	4	13
Bricklayer	4	3	3
Diesel Mechanic	40	5	22
Electrician	210	128	137
Fitter and Turner	36	14	15
Motor Mechanic	12	12	8
Plumber	8	4	19
Roadworker	5	1	0
Welder		4	5

Despite the need for qualified artisans and technicians within local government, there has been a steady decline in the numbers of apprentices within the sector beginning in the 1980's. The greatest demand is for electricians. The majority of the apprenticeship training is located within the metros.

- **Learnerships**

The tables below illustrate the registered learnerships and skills programmes within the local government sector.

Registered Learnerships	Level
National Certificate in Wastewater Process Operations	2
Water Purification Process Operator	2
Further Education and Training Certificate: Water Purification Process Operator	4
National Certificate in Water Reticulation Services	2
National Certificate in Wastewater Reticulation Services	2
National Certificate in Wastewater Reticulation Services	3
National Certificate in Supervision of Water Reticulation Operations	4
Further Education and Training Certificate: Supervision of Waste Water Reticulation Operation	4
Basic Level: Local Government Finance and Accounting	5
Intermediate Level: Local Government Finance and Accounting	6
Advance Level: Local Government Finance and Accounting	7
National Certificate in Municipal Finance Management	6
National Diploma in Municipal Finance Management and Administration	5

Certificate Electrical (Distribution)	2
Certificate Electrical (Distribution)	3
Certificate Electrical (Distribution)	4
Fossil Power Plant Auxillary	
LED Officer	4
LED Coordinator	5
LED Manager	6
National Certificate in Community Development Worker	4
National Certificate in Community Development Worker	5
Law enforcement officer	
Vehicle Licensing	
National Certificate in Emergency Operations	5
Further Education and Training Certificate: Road Traffic Management	4

TABLE 38:

	RegisteredSkills Programs	Level
1	Sanitation Health Promotion	4
2	Sanitation Health Facilitation	4
3	Sanitation Building (Assistant)	2
4	Sanitation Building	4
5	Sanitation Quality Assessment	4
6	Enterpreneurship Sanitation	3
7	Infrastructure Asset Management	4
8	Labour Intensive Construction (EPWP)	5
9	Financial management capacity Building INCA/IMFO	
	Total	

- **Adult Basic Education and Training (up to NQF 1):**

The table below illustrates the number of learners employed within the local government sector, engaged in ABET programmes funded by the LGSETA discretionary grants.

TABLE 39:

Province	Total No.Of.Learners
Gauteng	2 194
Limpopo	774
Mpumalanga	946
Kwa-Zulu Natal	3296
Western Cape	801
North West	1376
Northern Cape	651
Free State	1283
Eastern Cape	2074
Total	13 395

- **Training Providers:**

Table 40 : LGSETA accredited providers by Province by training type:

<u>Province</u>	<u>Fire Fighting</u>	<u>Public Safety</u>	<u>Water & Sanitation</u>	<u>LED+IDP</u>	<u>Planning</u>	<u>Councillor Trg.</u>	<u>Traffic</u>
Gauteng	6	2	4	2	1	1	
Limpopo	1		1	1	1		
Mpumalanga							
KwaZulu Natal	2	4	5			1	
Western Cape	2		3		1		
North West	3		1	1			
Northern Cape	2						
Free State							
Eastern Cape							
Total	16	8	14	4	3	2	0

SUPPLY OF TRAINING : Institution Type:

Municipal Training Centres:

Prior to 1997, the local government sector, through the training board and the Dept of Constitutional Development and the Provinces supported approximately 13 training centres and/ or their satellites, established in terms of the Manpower Training Act of 1981.

Each centre had a training centre manager, fulltime staff, a training centre committee and a provincial training committee. The staffing and equipping of the centres alone resulted in high ongoing costs (R 6,6 million in 1997). In certain areas, as in East London, relationships were developed with for eg Spoornet regarding the training of apprentices. The 1980's was marked by a steady decline in the number of apprentices across all sectors, including local government. Prior to 1981 apprenticeships, structured along traditional technical trades, in the municipal sector had been the exclusive domain of white males. This demographic tended to be repeated in the staffing of the training centres.

The training centres offered in- house accreditation, with no independent quality assurance or validation mechanisms resulting in a very uneven quality of teaching and learning. The focus of the training offered tended to be very occupationally specific, short course offerings (3-4 days) with selected offerings being based on a series of one month modules (mainly in municipal finances). There were no recognition of prior learning processes or procedures developed or applied. Despite the major shortcomings outlined above, the training centres had a significant throughput of trainees, although they did not adequately address many of the training and human resource development needs confronting local government in terms of the new South African constitution.

The sector still makes extensive use of 'in-house' training delivered by the municipal training centres operated by the metros - for example, Premos in Tshwane, Nelson Mandela. etc. The LGSETA is currently funding training delivery through the Municipal Training Institute based in

Sol Plaatjie, through discretionary funds. These training centres cite considerable annual training capacity (Nelson Mandela, the smallest metro in terms of employee size, claims a training capacity of 2,600 people p.a). The training capacity located 'in house' deserves further development and support in order to ensure that it is outcomes based and unit standards aligned, and can lead to full qualifications. They should become a focus for attention in relation to accreditation as training providers, and should be assisted to fulfil accreditation criteria by the LGSETA. The municipal training centres have potential to develop into the Institutes of Sectoral Excellence, along with LOGOLA (DPLG). Additionally, the current 'in house' capacity can be expanded through appropriate partnerships with FET colleges and other training institutions such as East Cape training Centre and Border Training Centre.

(SA Management Development Institute) and the various provincial training academies, supported by the Provinces are under utilised by the local government sphere. This results in an unnecessary fragmentation of resources available for training within the public sector. The Development Bank of SA (DBSA) have also established, and are running an in-house municipal training institution, Vulindlela, which currently focuses primarily on municipal finance training.

Far stronger partnerships need to be established between FET colleges, technikons and the local government sector, both through the SETA and through organisations such as the municipal training centres, LOGOLA (DPLG) and SAMDI.

Higher Education:

With respect to full qualifications, considerable use is made of universities and universities of technology accredited by CHE (featuring significantly, are: University of North West, University of the Free State, Rhodes, Fort Hare Institute of Government, University of Natal, University of the Western Cape, University of Pretoria and Unisa).

In addition to graduate public administration studies, several institutions have tailor made short courses and certificates linked in to local government at management and councillor level. These generally operate under the auspices of the provincial SALGA structures, provinces and the institution concerned such as University of North West and University of Natal. University of the Free State is involved with course development and delivery for the Municipal Training Institute, and University of Pretoria has an ongoing relationship with the City of Tshwane in relation to management development and training. However, there is currently little standardisation around the outcomes of such training. This should however improve with the registration of the Certificate in Transformational Leadership, which could be further developed and expanded both in relation to NQF levels and outcomes. The Municipal Leadership Development Programme is due to be piloted by LOGOLA (Local Government Leadership Academy) a Chief Directorate located within the Dept of Provincial and Local Government, who have developed a Certificate in Transformational Leadership awaiting registration with SAQA.

Universities and Universities of Technology provide the sector with professionally qualified staff in several areas, particularly at B Tech level. The LGSETA has formal relationships with the following higher education institutions, either relating to the delivery of learnerships or the development of qualifications and materials.

Table 41 : CHE institutions with formal relationships with LGSETA:

LGSETA 2465 learners	Community Development Workers	UNISA ,Rhodes ,UNIVENDA, and UWC
LGSETA 228 learners	Municipal Finance*	University of North West, Tshwane and TECHNISA
LGSETA learnership development	Waste	Peninsula technicon

- **Further Education and Training:**

Some of the FET Colleges are being utilised as ‘hubs’ in relation to the delivery of LGSETA pilot learnerships, being an approach which exhibits a considerable amount of potential in the medium term.

Given the relative scarcity of funds available for training in the sector, in relation to the need for training partnerships with public institutions rather than private providers, this can be a cost effective vehicle for training delivery.

Table 42 : FET Colleges with formal links to the LGSETA:

LGSETA	Local Economic (LED) Learnership	Gert Sibande FET College
LGSETA	Local Economic (LED) Learnership	Nkangala FET College
LGSETA	Local Economic (LED) Learnership	Ehlanzeni FET College
LGSETA	Local Economic (LED) Learnership	Maluti FET College
LGSETA	Local Economic (LED) Learnership	Motheo FET College
LGSETA	Local Economic (LED) Learnership	Ethekwini FET College
LGSETA	Local Economic (LED) Learnership	Northlink FET College
LGSETA	Local Economic (LED) Learnership	Boland FET College
LGSETA	Local Economic (LED) Learnership	South Cape FET College
LGSETA	Local Economic (LED) Learnership	Vuselela FET College
LGSETA	Local Economic (LED) Learnership	Gauteng Central College
LGSETA	CDW	Maluti FET College
LGSETA	CDW	Flavias Mareka FET College
LGSETA	CDW	Motheo FET College

- **ETDP Practitioners within the sector:**

Table 43 :

Assessors	Verifiers	RPL advisors
540	93	195

Recognition of Prior Learning:

To date there has been little implementation of RPL within the sector. The LGSETA ETQA Dept has identified this as a key strategic intervention over the coming five years. The following qualifications have been identified, where there is a demand for RPL, and where there is likely to be considerable participation in RPL processes:

- Water related qualifications
- Fire, rescue and emergency services
- Electricity
- Municipal Finance
-

The LGSETA ETQA Dept aims to put 3000 people through trades and technical RPL assessments, 750 through LED, 750 through municipal finance and administration, 750 through water and a further 750 through fire, rescue and emergency services. Approximately 300 RPL advisers will need to be trained in the various areas. A further 300 ETDP practitioners, linked to municipal training centres will be trained.

Constraints On Training Access And Effectiveness

Financial constraints are often identified as the most important problem affecting both access to training and the quality of training accessed, yet large amounts of municipal budgets available for training remain unspent, or are diverted to other purposes.

The second main constraint is the failure of learners to apply skills acquired through training back in the workplace resulting from an absence of post-training support, know-how and mentoring, which is essential to realising the benefits of newly acquired skills.

Poor quality training and a lack of access to training providers are next in line, while lower order constraints on training effectiveness included turnover of trained staff, “time-off-work” for training problems, insufficient access to effective workplace learning modes and a lack of learner motivation.

Insufficient training funds -:

The six metropolitan councils, constituting the top six levy payers in the sector, account for 52% of total levy income in the local government and water sectors, while 43 enterprises, 12% of levy paying enterprises, account for 80% of levy income.

The general financial inefficiencies and constraints facing many municipalities means that budgeted income for training from transfers and municipal own income will not offset this problem.

Enabling relevant, quality and credit bearing training -:

The perception within the sector persists that learnerships and skills programmes can only be accessed if they fall within the LGSETA focal areas i.e have been registered and developed by the LGSETA, and that apprenticeships are no longer current.

Key areas relating to quality assurance and accreditation

The following key areas are highlighted as important -:

- Partnerships between workplaces and providers, particularly public providers
- Development and registration of trainers and assessors
- Development and registration of RPL advisors
- Capacity of municipal training centres/ institutions
- Focus on capacitating districts municipalities to assist local municipalities

Training providers operating in the sector, particularly small ones, also require access to proven training development and delivery capacity. Capacity and expertise needs to be built in the areas of curriculum and materials development, structuring of workplace learning, competent workplace training facilitators, coaches, mentors and assessors, to name but a few of these needs.

Organisational constraints

This section deals with those training constraints that are located inside municipalities. In general, the research highlighted that most municipalities are struggling to understand the implications of skills development legislation and that skills development commitment, resource and “know-how” problems are preventing effective training in many municipalities.

Workplace skills planning

Very few organisations have formulated skills strategies that are aligned with broader non-people related capacity building plans, or to the broader prioritisation and development requirements of the Integrated Development Plans.

Despite problems with the attraction and retention of key high-level skills, very little evidence is found of strategies to address these problems across the sector.

In addition, the relative inflexibility of the labour market within the sector and the low level of recruitment into the sector, makes career pathing extremely important, particularly in relation to employment equity criteria. Yet, relatively little attention is being paid to career pathing, appropriate coaching and professional staff development. Some work has been done by the LGSETA in terms of establishing a qualifications framework for the sector (as demonstrated by the outline presented at the end of this chapter) however, it is not yet fully inclusive of all municipal functional areas and all NQF levels. Further work needs to be done in this area.

Some of the constraints facing work place skills planning result from the following:

- Amalgamation and restructuring - conditions under which it is difficult to develop workplace skills plans;
- • Lack of information - simply unable to gather the necessary information from departments in their organisations; and
- Skills audits are not being conducted within organisations.

The management of workplace training

Further weaknesses with the overall management of training include:

- Little consideration of workplace training and development policies and procedures;

- Limited expertise to evaluate learning programmes and provider offerings against organisational skills needs and too little attention paid to procurement practices as the main vehicle for holding providers accountable for the quality and relevance of the training that is purchased from them (a lack of appropriate contract management expertise);
- Linked to the above is the limited attention paid to monitoring training quality and reporting on progress and achievements against contracts and plans;
- Limited formal assessments of learner achievements on completion of training;
- Limited formalised approaches to evaluating the impact of their training;
- Limited integration of skills development and HRM practices;
- Ill defined training functions - roles, responsibilities, accountabilities and structures and inadequately capacitated training committees;
- An absence of key skills development systems;
- SDFs often being junior staff within the organisation;
- SDFs often lacking capacity;
- Skills development objectives and targets are generally not incorporated into managerial performance agreements

Time-off-work for training -:

A lack of staff and moratoria on staff appointments in a context of large-scale change and increasing demands for local services have reduced the time available for training in many municipalities. These factors primarily affect training external to the workplace, particularly longer technical programmes with block release components that involve fairly long periods away from work. Moreover, block release training modes have resulted in increasing instances of learners having to drop out of courses because their line managers have not planned sufficiently for their absence.

Workplace learning constraints -:

- The skills to structure on-the-job learning are in short supply in both sectors;
- There is a lack of learning facilitation, coaching, mentoring and workplace assessment skills amongst line managers and supervisors;
- An absence of learning against unit standards, exacerbated by the lack of workplace assessment competencies, also reduces employee incentives to learn on the job.
- The role of SDFs / profile of SDFs / constant turn over of SDFs.

Applying skills acquired back in the workplace

There is a lack of support and / or know-how amongst supervisors and managers to assist and/or even create the space for learners to apply skills acquired through training back in the workplace.

Learner motivational problems

The lack of career pathing and opportunities to increase remuneration as a result of training, together with an absence of formal recognition of skills acquired through training which would increase mobility in the labour market, reduce incentives to go on training.

External training delivery constraints

There is a possible mismatch between priority skills needs facing the sectors and the availability and/or readiness of education and training providers to deliver high quality and affordable training in these areas.

There is often an absolute shortage of training providers in rural and peri-urban areas. This obviously exacerbates cost and “time-off-work” for training problems facing these enterprises. Access problems are often best addressed by existing providers developing new, more flexible

modes of learning, including information and communication technology delivery options that support e-learning and distance learning modes. In addition, the right incentives are needed to get providers to operate in these areas, which means support will be needed for higher cost training.

Another problem is the inability to discern good from bad quality provision and providers. Even if providers are accredited there still needs to be more effective evaluation of provider capabilities, stricter monitoring of training delivery against contracts as well as proper evaluation of provider performance and training impact. This would also support the development of a strong preferred provider partnership, which is more practical than once-off-training contracts and usually supports better training delivery .

The following areas have been identified in which SDFs need training and support -:

- Philosophy and practical implications of the skills development and SAQA legislation
- Skills planning information and skills audits
- Skills development facilitation
- Train-the-trainer
- Performance Management
- Leadership skills
- Implementing learnerships and skills programmes
- Employment equity and career pathing

District co-ordination

District Municipalities should play more of a role in co-ordinating training delivery, in order to benefit from the resulting economies of scale, and to deliver District Level Skills Plans. The total number and even spread of district councils across provinces make them an obvious point of contact from which to launch capacity building and skills development support for the large numbers of municipalities, in keeping with their mandate to support local municipalities. However, many district municipalities themselves are severely undercapacitated.

Planning, management and evaluation -:

Major improvement is needed in each of these areas in most municipalities . In particular, linking skills planning, employment equity planning and career planning were identified as priorities. In addition, the link between staff educational assistance or bursary schemes and skills planning and training, needs to be clarified.

Staff motivation

An important trend is the low levels of motivation amongst staff for training. This is reflected in reasonably high levels of absenteeism from training courses.

Post-training support

Providing post-training support to learners is a neglected concept in the sector. Learners often require support to translate learning assimilated in training programmes into practice in the workplace. Appropriate mentoring, along with established internship practises are almost absent within the sector.

Training delivery issues

- There is a need to upgrade both the subject matter expertise and learning and teaching skills of trainers to the sector
- Build capacity for the sector to develop curricula and materials with short lead times and that are tailored to municipality and water enterprise skills needs, and that support flexible modes of training delivery

- Develop operating manuals and tools and use for training
- Develop capacity to facilitate structured on-the-job training
- Training providers should incorporate training evaluations into their programmes in order to demonstrate the returns to training their clients are receiving
- Develop distance education capacity within the sector

Language

Respondents from rural areas noted a need to provide more training in vernacular languages.

Conclusion:

In conclusion, it would appear that training providers, and training systems within the local government and water sectors are relatively rigid, inflexible and unresponsive. Given the nature of the skills required in the sector, and the nature of the training taking place there would appear to be a mismatch between demand and supply. The supply of training in the public sector, including local government, is fragmented between organisationally based and external training, training for local government vs training for the rest of the spheres of government, and between public and private providers. This fragmentation affects both the cost and the quality of training.

The high levels of training taking place within the sector are largely related to upgrading the capacity of existing staff, currently driven by organisational, rather than service delivery needs. *There are reasonably high levels of training taking place in the local government sector but, its impact has, on average, been limited. Much of the training is piecemeal, ad hoc and does not lead to full qualifications of any sort.*

Much of the training in the sector remains generic in nature, with relatively little of it being devoted to meeting the scarcity of technical and specialist delivery related skills evident within the sector.

An important contextual theme running through this chapter is that large-scale institutional change combined with rising service delivery pressures – backlogs, maintenance and extensions – have affected the supply of training in past few years, including the supply of apprentices affecting the output of skilled artisans.

Recommendations:

- That an emphasis be placed on regenerating the local government internal training system and capacity particularly in relation to workplace training – both artisanal and administration training.
- That there be a greater co-ordination and monitoring of training both within municipalities as individuals entities and co-ordination at district level.
- That training in the sector be focussed on service delivery needs
- That more attention is paid to the potential created by the “single public service” to the streamlining of training and training systems across the public sector and across all spheres of government.

CHAPTER 4

SCARCE AND CRITICAL SKILLS IDENTIFICATION:

Scarce and critical skills definition cannot be mechanistically reduced to vacancy rates within given occupations, although they may flag areas of skills need. This is particularly true of the local government sector where the rapid transformation, consolidation, large scale restructuring of organograms and protracted placement processes have often led to a mismatch between skills possessed by people, and the requirements of the posts they occupy. This mismatch between people and posts cannot be explored without a full scale skills audit of the sector. A skills audit however, will only uncover the skills the sector has, it will not on its own, in the absence of norms relating to staff : household served ratios, uncover the magnitude of skills required.

What is however crucially important for local government service delivery, no less than, for example the health sector, is that we have the right staff with the right skills in the right place at the right time. Coherent data and data sets are crucial in this regard.

The sector needs the right mix of staff in relation to ratios of management to professional to technicians, clerical and elementary workers, and that work processes within the sector are geared towards expanding service delivery and ensuring sustainable communities. Significantly high vacancy rates exist in occupational categories which can not be linked to skills scarcity, but rather to organisational and financial inefficiencies and constraints i.e in elementary and clerical posts. Until the implementation of the Municipal Finance Management Act in 2004, there was a lack of standardisation of data to properly quantify municipal fiscal needs, expenditure patterns and capacity.

Roles and scope of work/ scope of practice between professionals, technicians and auxiliary workers need to be clearly identified and job descriptions need to be developed across the sector. Norms need to be established in relation to the numbers of households to be served, the type of municipality and their spatial and social characteristics. Minimum competency requirements need to be established (or adapted from other spheres of the public sector where they exist) in relation to key municipal posts, not merely inferred from the legislation. The various professional associations linked to the local government sector could provide useful input and guidance in this regard. The regulation of competencies required by municipal managers by the DPLG, and municipal finance staff by National Treasury is an important step forward.

Without minimum competency requirements, the linked fields of performance assessments, career pathing and task or occupationally based skills development are likely to remain ad hoc, if not arbitrary and are unlikely to translate into substantive improvements in performance.

Skills requirements for the sector should be considered in conjunction with DPLG's Capacity Building Strategy and Project Consolidate, being the most notable policy initiatives in relation to the sector, along with the EPWP and the Sector Summit of March 2005. The Cabinet emphasis on service delivery, the local government elections in early 2006 and the integration of the public service place further demands for efficiency on the sector. Increasing public dissatisfaction with the slow pace of service delivery and municipal performance is increasingly being demonstrated through widespread, and often violent public protests which, if not addressed, through demonstrable improvements in the pace of service delivery, threaten the credibility of local government in South Africa.

The themes running through the SSP are that changes in the sector are largely driven by legislation and social policy, the need to transform local government and the need to improve service delivery to all citizens. Coupled with this, is the under capacity of a large number of

municipalities, including their human resource capacity. There have been large numbers of training initiatives by, amongst others, SALGA, DPLG, various donors, provinces and the LGSETA. These and many other capacity building and skills development initiatives should have had far more impact than they have had. Reasons for this include the fact that initiatives are unco-ordinated, are developed in *ad hoc* ways, with generic foci rather than tailored to specific needs, and often do not align to the NQF.

The need for leadership, management and supervisory development at all levels has been noted. There is evidence of a declining skills profile at the upper NQF levels, in addition to high skills replacement needs. The training capacity within the sector tends to be unresponsive to performance needs, both in terms of training delivery mechanisms and the type of training offered.

More efficient functional integration could occur between the various public sector training providers and systems (eg FET colleges, municipal training centres, training academies operated by provinces and SAMDI). This would allow some scope for the development of

‘ platform’ qualifications (similar to what are referred to in other contexts as ‘ gateway’ qualifications) and related, more context specific skills programmes, covering core competencies required for various local government career paths and those which may be shared more broadly within the public sector, as in for example, the municipal operations qualification currently being developed by the LGSETA. DPSA, PSETA and SAMDI are currently developing unit standards against the public service competency framework. These learning pathways could better facilitate the career pathing of individuals.

Project Consolidate Key Performance Indicators point to the kinds of crucial skills required for sustainable communities and viable local authorities. These are:

- Municipal transformation and Institutional development : Management (including strategic management and human resources management) – associated with this is the LGSETA support for LOGOLA, skills audit for the sector and the training of Skills Development Facilitators
- Municipal Financial Viability and Management: municipal finance at all levels, including metering and billing. LGSETA interventions through development of municipal operations qualification, the implementation of internships in conjunction with national treasury, the implementation of learnerships and skills programmes in municipal finance and administration
- Basic Service delivery and infrastructure: engineering (both civils and electrical), engineers, technologists, technicians and artisans, municipal health(including sanitation and waste) and emergency services. With the exception of municipal health (excluding sanitation and waste in which the LGSETA implements skills programmes) the LGSETA implements artisanships, learnerships and skills programmes, internships and bursaries in all these areas although not in sufficient numbers to meet the needs.
- Local Economic Development: municipal planning functions, including urban planning, property valuation and property management – particularly in relation to urban renewal, local economic development officers through LED learnerships
- Good governance: councillor induction and development, ward committees and community development workers, and in certain areas traditional leaders.

Adult Basic Education is foundational to all these areas, along with computer literacy.

However, it should be borne in mind, that while a standard set of skills is required by all municipalities to allow them to fulfil their legislated functions, the level and concentration of the

skills required differs according to the type of municipality and the profile of the community it has to serve. The compulsory annexure D template is attached. Whilst the need to standardise reporting is understood, sufficient flexibility should be allowed to take account of the specific needs and peculiarities of each sector.

CHAPTER 5

Small Business, Entrepreneurial Opportunities and other NSDS priorities:

The constitutional responsibilities of local government are to:

- Provide democratic and accountable government for local communities
- Ensure the provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Encourage the involvement of communities and community organisations in the matters of local government.

Any national standard of good practice developed, or adopted by the Dept of Labour should have sufficient flexibility to develop indicators closely linked to municipal performance indicators, such as those developed within the context of Project Consolidate, which encapsulate the constitutional responsibilities of local government. Any processes which are not closely aligned to DPLG, or sectoral priorities around capacity building and municipal performance will be counter-productive. In terms of the Sector Skills Plan review, and the review of other sectoral and national policy imperatives the following areas are identified as areas of priority intervention for the LGSETA for the period 2005 – 2010, and inform the business plan, and constitute the focal funding areas for the LGSETA discretionary grant:

- Infrastructure and service delivery
- Financial viability
- Community participation and planning
- Management and leadership
- (ABET)

ABET remains a fundamental priority area as it defines an employees ability to access further education and training opportunities, and career pathing.

These intervention areas can be demonstrated as follows:

Strategic Priority Area:	Project Name:	Mode of delivery:
Infrastructure and service delivery	<ul style="list-style-type: none"> • infrastructure asset maintenance • labour intensive construction (EPWP) • electricity reticulation • water services • roads 	<ul style="list-style-type: none"> • RPL • Learnership • Skills programme • Internship • Bursary • Apprenticeship
Financial viability	<ul style="list-style-type: none"> • property valuation • audit and procurement • municipal finance 	<ul style="list-style-type: none"> • RPL • Learnership • Skills programme • Internship • Bursary
Community based participation and planning	<ul style="list-style-type: none"> • Ward committees • Planning • IDPs • LED 	<ul style="list-style-type: none"> • RPL • Learnership • Skills programme • Internship

In an effort to assist municipalities to develop skills in these priority areas, and to enable ease of access to discretionary funds for eligible municipalities, learning framework agreements have been entered into with all compliant district municipalities. These learning framework agreements are funded by the discretionary fund.

Democratisation of South African society, together with more traditional rural-urban pressures has resulted in growing urbanisation – the urban population in South Africa is currently 55% and it is estimated that this number will grow to 70% by 2030. Steady urbanisation is also changing the incidence of poverty in the country, where today “the majority of SA’s poor live in urban areas and this number is growing.”

Whilst it is not a function of local government to create jobs, it is a function of local government to ensure service provision and to promote local level social and economic development. Pro-poor economic development presupposes support for job creation, and improved service delivery. Municipal integrated development planning processes, infrastructure development and municipal procurement policies are key vehicles to support SMME development and job creation.

However, it should be noted that job creation generated by local economic development lies outside of the LGSETAs scope of coverage, which is restricted to those local government functions as defined in the Municipal Structures Act, and municipal utilities. There has been only limited outsourcing of municipal services, and municipal service delivery tends not to be an appropriate field for either outsourcing, or SMME intervention, requiring as it does significant capacity. Utilities are in themselves large complex organisations (eg. City Power, Pikitup, Jhb Water etc).

A report entitled ‘ Skills development for Inclusive and Productive Cities’ prepared by J Erasmus (HSRC 2006) for the SA Cities Network, whilst acknowledging the limited mandate of local government in relation to skills development, outlines the contribution cities could, and should be making towards skills development and the formation of human capital.

Whilst local government has no powers to provide education and training to their citizens, they do, in terms of skills development’s linkages to both integrated development planning and local economic development strategies, have a duty to promote skills development. The given stock of skills within any geographical area forms part of that areas competitive advantage in terms of attracting investment and stimulating development. The role of local government in this regard is largely a facilitative one of developing linkages with local education and training providers (whether private or public) to ensure the responsiveness of the training opportunities offered to the skills needs of the geographical area.

As a corollary to this, the LGSETA, rather than feeling pressurised to support community based training which lies outside of its focal areas from its limited discretionary grant reserves, should act as a ‘ broker’ between local authorities wishing to engage in training activities in support of IDP and LED processes, and relevant SETAs.

Integrated development planning and Local Economic Development

Bearing in mind the limitations in regard to Local Economic Development noted above, and the findings of Project Consolidate, namely:

- Many municipalities are simply going through the motions to meet legislative requirements and deadlines
- IDP’s are generally not backed by coherent development strategies. The focus on economic recovery or regeneration and attracting investment is limited

- Baseline data and information is weak or unavailable, which means that IDP's are often not empirically rooted
- IDP planning processes are weak - IDP's are often the product of a single department within municipalities, rather than the strategic blueprint of the municipality
- budgets are poorly linked to IDP's
- Monitoring and evaluation systems are absent or weak
- Limited understanding of local economic potential
- Long term economic management receives little attention
- Little emphasis on the role played by municipalities with regard to skills development and sustainable employment creation
- Inadequate appreciation of the linkage between reliable service delivery, infrastructure and local economic development

Job creation potential varies markedly from city to city, and region to region. Without a detailed analysis of every LED intervention, it is almost impossible to quantify. However, some key interventions cited in a report on pro-poor LED prepared on behalf of the World Bank for DPLG in August 2005, have been:

- Skills development
- SMME support
- Tourism
- Marketing
- Manufacturing support
- Infrastructure and planning
- Sector support
- Environmental management

services Some initiatives, cited in the report as having successfully resulted in job creation were the following:

The Johannesburg Fashion District : 1 000 clothing micro –manufacturing jobs

Cape Town: Operation Firestart : 334 environmental protection jobs

Richards Bay/ Zululand Chamber of Business: 3 500 small business jobs in a variety of sectors

Ingwe: 229 jobs, mainly short term – tourism and crafts

Ndlambe: pineapple pulp processing, and brickmaking – 20 jobs

Despite what seems to be the limited scale of job creation, and the vast range of sectors covered by LED interventions and the resultant difficulties in quantifying job creation, the potential remains for substantive support to smme's, co-operatives and job creation through municipal IDPs and LED support strategies, albeit all outside the LGSETA scope of coverage. The LGSETA target of 450 young people on new venture creation learnerships, and the joint fostering of the new venture creation learnerships, along with the local economic development learnerships will support sustainable job creation through this focal area. As with the LED learnerships, where local FET Colleges are key training delivery agents, the relationship with the colleges could be expanded to include the venture creation learnerships. In addition, the LGSETA has targeted 57 co-operatives, ngo's and cbo's associated with the local government sector for support, primarily through the implementation of learnerships.

PROCUREMENT POLICIES:

In addition to 'externally' focussed LED strategies, a key area of municipal support for smme's is in preferential local procurement policies in relation to the goods and services procured by the municipality as an organisation, in much the same way as BEE criteria are built in to public sector procurement.

INFRASTRUCTURE DEVELOPMENT:

In the first instance, the immediate impact of infrastructure development on job creation, as an example, lies within the construction sector and does not necessarily translate into job creation/ SMME development within the LGSETAs scope of coverage. Whilst this may seem a nit-picking distinction it is the source of a fundamental error in the Dept of Labour commissioned SETA demarcation research conducted during 2004. In the research, the job creation potential generated by the DWAF capital budget (water resources – largely for dam building) was linked to a growth in employment within the water sector, where as this is not the case. The employment generated lies largely with the construction sector.

To begin with it is important to recognise achievements in the provision of basic infrastructure and services to poor communities since the first democratic elections, and the centrality of local government in the delivery of the social wage.

But these successes must be tempered by the major challenges still facing the local government sector, coupled with shortages of key technical staff within local authorities. These challenges revolve around basic service delivery. Services include water, sanitation, electricity, refuse removal, roads, health, housing and community services. As discussed earlier the new, wider developmental role of local government throws up the even bigger challenges of attracting investment to grow local economies and increase income-generating opportunities for the poor.

- 10% of urban households and 39% rural households do not have access to basic levels of water services. A total of 10,6 million people do not have access to water to RDP standards
 - At the current level of spending a further 7 million people will have access to water services to RDP standards by 2011/12, leaving 3,6 million without access to water
 - 26% of urban and 76% of rural households do not have access to basic sanitation. 4,3 million households lack access to improved sanitation (either flush or ventilated pit latrines)
 - At current levels of expenditure, the sanitation backlog will be eradicated only in 2020/21
 - 21% of urban and 68% of rural households do not have access to electricity, or 3,65 million households
 - 18% of urban and 23% of rural households do not have access to waste removal
 - 2.1 million of 14 million people (15%) in 6 metro's are poor, which translates roughly into almost one third of the total population
- (HSRC Beating the Backlog, 2004)

The above figures on the service backlogs do not take account of the need for constant infrastructure asset maintenance and replacement. Infrastructure has a finite lifespan. Existing infrastructure is now seen to be beginning to fail, as much of it was put in place in the 1930's.

The linkage between the Expanded Public Works Programme and the Municipal Infrastructure Grant (the MIG being the primary vehicle for the implementation of the EPWP) has seen the LGSETA with a key involvement in the training of 1 200 municipal officials in the implementation of labour intensive construction projects. This involvement was generated by the identification of

skills shortages in key technical areas within the local government sector. The target of the EPWP is to create a million short term jobs (primarily 3 – 6 months) through its implementation and focus on infrastructure development. Whilst the direct job creation potential is short term in nature, the long term economic effects resulting from improved infrastructure, transportation etc and the potential for longer term indirect job creation is enormous. Along with skills shortages in key areas, failing or inadequate infrastructure is a key inhibitor to long term growth, and service delivery failure. In relation to this, the LGSETA has a target of 4 000 18.2 learners on entry level skills programmes to be delivered through the vehicle of the EPWP from 2005 - 2010.

2. Promoting and accelerating quality training for all in the workplace

Indicator 2.5

Annually increasing number of small BEE firms and BEE co-operatives supported by skills development:- *IN RELATION TO THIS INDICATOR, THE LGSETA WILL FOCUS ON THOSE CO-OPERATIVES AND SMALL BEE FIRMS THAT DELIVER SERVICES TO THE SECTOR, ALTHOUGH THEY FALL OUTSIDE THE LGSETA SCOPE OF COVERAGE WHICH IS CONFINED TO MUNICIPALITIES, MUNICIPAL ENTITIES, ORGANISED LOCAL GOVERNMENT AND TRADITIONAL LEADERSHIP INSTITUTIONS.*

Indicator 2.7

By March 2010 at least 700 000 workers have achieved ABET Levels 1 – 4:- *THE LGSETA ABET FOCUS IS ON EMPLOYEES WITHIN THE SECTOR, COUNCILLORS AND WARD COMMITTEE MEMBERS. EARLIER IN 2006 THE LGSETA COMMISSIONED AN ABET FEASIBILITY STUDY WHICH RECOMMENDED THE DEVELOPMENT OF A CUSTOMISED ABET PROGRAMME TO SUIT THE SPECIFIC NEEDS OF THE SECTOR WHICH WOULD BE DESIGNED TO ACHIEVE NQF 1 OUTCOMES IN AN 18 MONTH PERIOD. THE CURRICULUM WOULD BE DEVELOPED AROUND LOCAL GOVERNMENT SPECIFIC THEMES.*

Indicator 2.8

By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills:- *THE LGSETA FOCUS IS ON THOSE LEARNERSHIPS AND APPRENTICESHIPS WHICH SUPPORT THE KEY MUNICIPAL PERFORMANCE INDICATORS AND MUNICIPAL SERVICE DELIVERY, OR THOSE SKILLS AREAS DEMANDED BY THE INTRODUCTION OF NEW LEGISLATION FOR EG. PROPERTY VALUATION.*

3. Promoting employability and sustainable livelihoods through skills development

Indicator 3.2

By March 2010, at least 2000 non-levy paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development:- *THE LGSETA FOCUS IN RELATION TO THIS INDICATOR IS ON TRADITIONAL LEADERSHIP INSTITUTIONS BEING NON-LEVY PAYING ORGANISATIONS FALLING WITHIN THE LGSETA SCOPE OF COVERAGE. TO THIS END EXTENSIVE SKILLS NEED IDENTIFICATION WORKSHOPS HAVE BEEN HELD COUNTRYWIDE WITH EACH OF THE .PROVINCIAL HOUSES OF TRADITIONAL LEADERS.*

4. Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment

Indicator 4.1

By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills:- *THE LGSETA FOCUS IN RELATION TO THIS INDICATOR IS ON ASSISTANCE TO THE IMPLEMENTATION OF THE EPWP THROUGH THE MUNICIPAL INFRASTRUCTURE GRANT PROCESS. THE FOCUS IS ON LEARNERSHIPS LINKED TO INFRASTRUCTURE MAINTENANCE AND DEVELOPMENT IN PARTICULAR THE CETA REGISTERED CONSTRUCTION CONTRACTOR AND ROADMAKER LEARNERSHIPS, BEING IMPLEMENTED THROUGH LOCAL GOVERNMENT WITH THE ASSISTANCE OF THE DEPT OF PUBLIC WORKS. THIS INDICATOR ALSO INCLUDES WARD COMMITTEE TRAINING, COMMUNITY DEVELOPMENT WORKER TRAINING AND COUNCILLOR TRAINING.*

Indicator 4.2

100% of learners in critical skills programmes covered by sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment:- *THE FOCUS IS ON BURSARIES AND INTERNSHIPS – BURSARIES BEING ALLOCATED FOR ENGINEERS AND PROPERTY VALUERS AND INTERNSHIPS IN MUNICIPAL FINANCE, ENGINEERING AND PROPERTY VALUERS.*

Indicator 4.3

By March 2010, at least 10,000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation in operation 12 months after completion of programme:- *THE FOCUS IS ON SUPPORTING THE NVC INITIATIVES BEING RUN THROUGH BOTH THE EPWP/ DEPT OF PUBLIC WORKS AND THE NATIONAL YOUTH SERVICE/ UMSOBOMVU , IN PARTICULAR THOSE WHICH RELATE TO INFRASTRUCTURE AND SERVICE DELIVERY.*

5. Improving the quality and relevance of provision

Indicator 5.1

By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public & private institutions and through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training:- *THE FOCUS IS ON ASSISTING MUNICIPAL TRAINING CENTRES/ TRAINING DEPARTMENTS TO DEVELOP PARTNERSHIPS WITH LOCAL FET COLLEGES TO BE ABLE TO DELIVER HIGH QUALITY TRAINING WITHIN THE LGSETA FOCUS AREAS AND ARTISANAL TRAINING. AN ATTEMPT IS BEING MADE TO REVIVE ARTISAN TRAINING WITHIN THE LOCAL GOVERNMENT SECTOR.*