



LOCAL GOVERNMENT PROFESSIONALISATION INDABA _____ 2023

*“STRONG PARTNERSHIPS FOR
RESTORING TRUST IN A CAPABLE AND
DEVELOPMENTAL LOCAL
GOVERNMENT: A CLARION CALL TO
DRIVE THE LOCAL GOVERNMENT
PROFESSIONALISATION AGENDA”*

THE REPURPOSED LOCAL GOVERNMENT PROFESSIONALISATION MODEL & IMPLEMENTATION REQUIREMENTS

PRESENTATION OUTLINE

Background to the repurposed local government professionalisation model

The repurposed local government professionalisation model

Priority intervention areas for 2022/23

Senior Management Employment and Remuneration review advocacy measures

Municipal capabilities to facilitate the implementation of professionalisation





BACKGROUND TO THE REPURPOSED LOCAL GOVERNMENT PROFESSIONALISATION MODEL

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RESTORING TRUST IN A CAPABLE AND
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SALGA 2022-2027

STRATEGIC OUTCOMES

INCLUSIVE SOCIO-ECONOMIC RETURN

SALGA supports municipalities in appropriate financial planning, sourcing equitable and adequate share distribution from intergovernmental transfers in a differentiated approach, effective revenue collection instruments and alternative revenue streams

CAPABLE AND REPUTABLE LOCAL GOVERNMENT

SALGA builds capacity, provides customised support and advises LG to become skilled and competent leadership that constantly builds its capacity to make policy judgements, manage coalitions, and mobilise resources and networks of local interests to benefit communities

CUSTOMISED INNOVATIVE SOLUTIONS

SALGA digitises its planning, monitoring and evaluation processes. Standards for LG are developed into different technical categories (Redbook)



DEVELOPMENTAL GROWTH FOR GLOBAL COMPETITIVENESS

Municipalities are supported to create a conducive business climate to attract and retain investments in municipal areas, revive existing industrial infrastructure for economic viability and competitiveness and placing local government as a global investment destination, deliberately advancing rural, township and regional economies.

EFFECTIVE NETWORKS AND IGR

Strengthen the role of SALGA in representing the interests of LG within the cooperative government system and in supporting its members to fulfil their developmental agenda obligations

SALGA – AN AGILE FORCE OF INFLUENCE

Strengthening SALGA's capacity (political and administrative) through development of leadership to grow the mindset to become a comparative local government advisory body.

CAPABLE AND REPUTABLE LOCAL GOVERNMENT



OUTCOME 3: CAPABLE AND REPUTABLE LOCAL GOVERNMENT

Outcome Statement:

SALGA's mandate is to build capacity, support, and advise the local government to establish a reputable Local Government. Reputable local government can be described as "A professional, dynamic and accountable local government" Professional indicating that employees and Councilors within local government are appropriately qualified, competent, skilled and have the necessary relevant experience. Dynamic can be described as a leadership that is responsive and adaptive to change, is positive, energetic and innovative. Leaders should also be accountable, described as being consultative, responsible, making informed and transparent decisions, and using sustained reporting processes to monitor and control the outcomes and consequences of all decisions.

Priority Focus Areas:

- Capacitated local government
- Skilled and competent leadership
- Sound local government decision-making
- Revised legislative frameworks, policies and assumptions
- Clarified powers and functions

Outcome Indicator	Baseline	5-year target
Municipal Capability Index	New indicator	10% improvement on baseline
Municipal Competency Levels	New indicator	An average improvement
Governance Maturity Index	New indicator	10% improvement on baseline

Improved municipal capabilities, competency levels and governance are indicative of a progressively professionalised local government system



THE BUSINESS CASE FOR PROFESSIONALISATION

- There is demand for high level of professional competence, experience and ethics on the part of local government employees and elected leaders, given the complex and challenging environment.
- The Constitution (Section 195) specifies, as the first of the nine basic values and principles that should govern public administration, that “a high standard of professional ethics must be promoted and maintained”, amongst others.
- To date, despite obvious variations between municipalities, based on category, size and other factors, with a number of examples of good practice, the over-riding conclusion from government reports, as well as academic and media commentary, is that local government as a whole is falling seriously short in meeting such professional requirements.
- Audit disclaimers concern the fact that the level of non-compliance with laws and regulations applicable to municipalities and municipal entities had grown, resulting “in a substantial increase in the number of municipalities incurring unauthorised, irregular as well as fruitless and wasteful expenditure

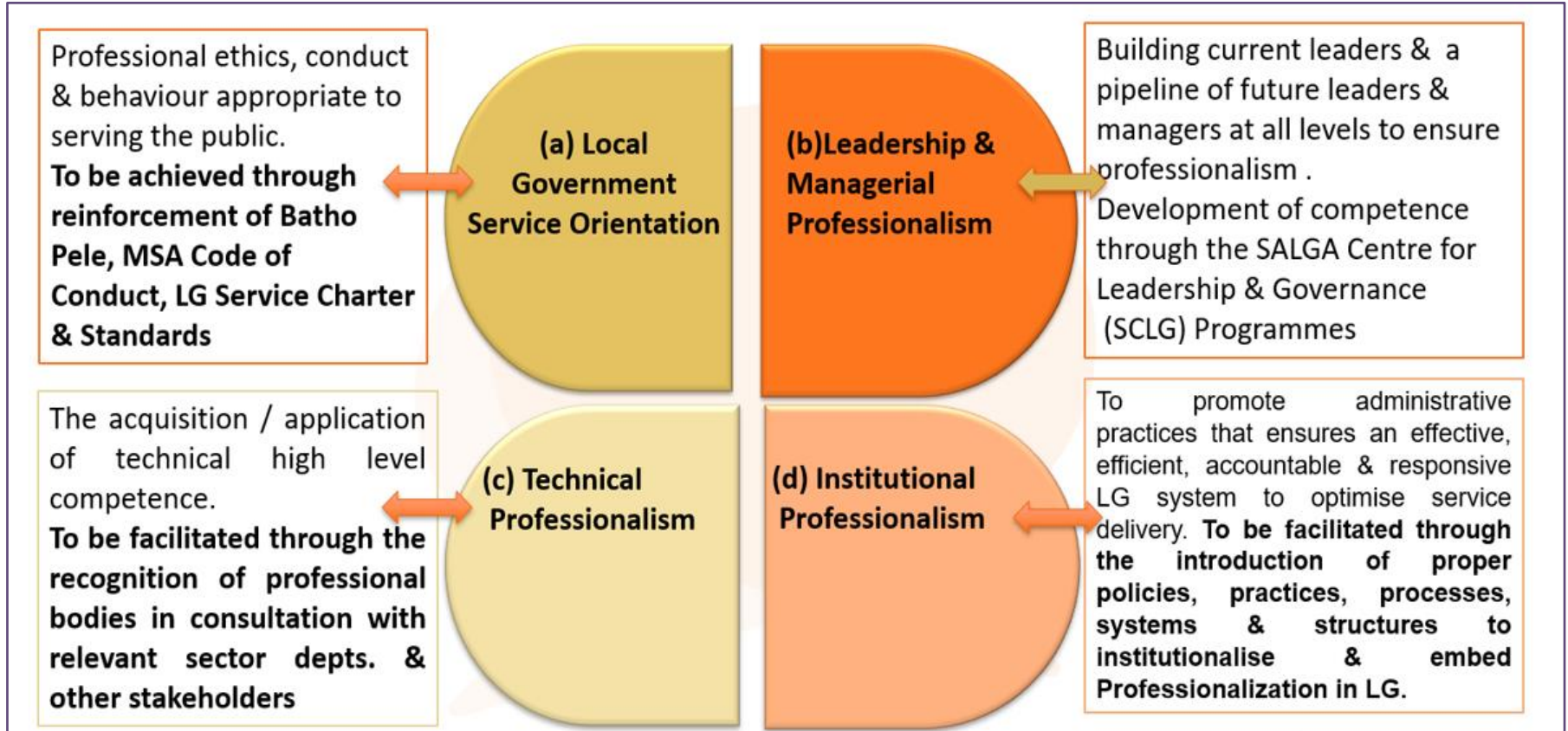


THE BUSINESS CASE FOR PROFESSIONALISATION CONT...

- Inability to attracting and retaining qualified and experienced technical and management professionals has therefore proved difficult, especially outside the large urban centres.
- The result has been high vacancy rates at the professional and technical level, with obvious implications for the effective planning, financing and management of service delivery and infrastructure provision.
- The seriousness of skills scarcity has been deepened by the decline of municipal professional associations, the lack until recently of a coordinated strategy for local government capacity building and skills development, and poor linkages between local government and the tertiary education sector, all of which have contributed to a serious breakdown in the supply of municipal professionals.



Local Government Professionalisation Framework (*adopted 2013*)



LOCAL GOVERNMENT PROFESSIONALISATION

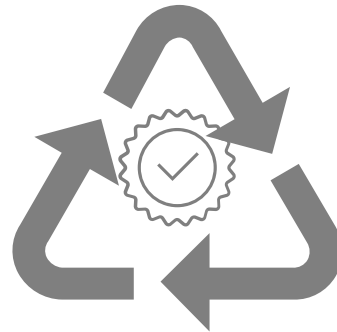
Within the Professionalisation Framework there are salient components that characterise the expected contribution of councillors:

Ethical and accountable leadership; oversight and compliance management; continuous professional development; being custodians of a professionalisation culture and ethos

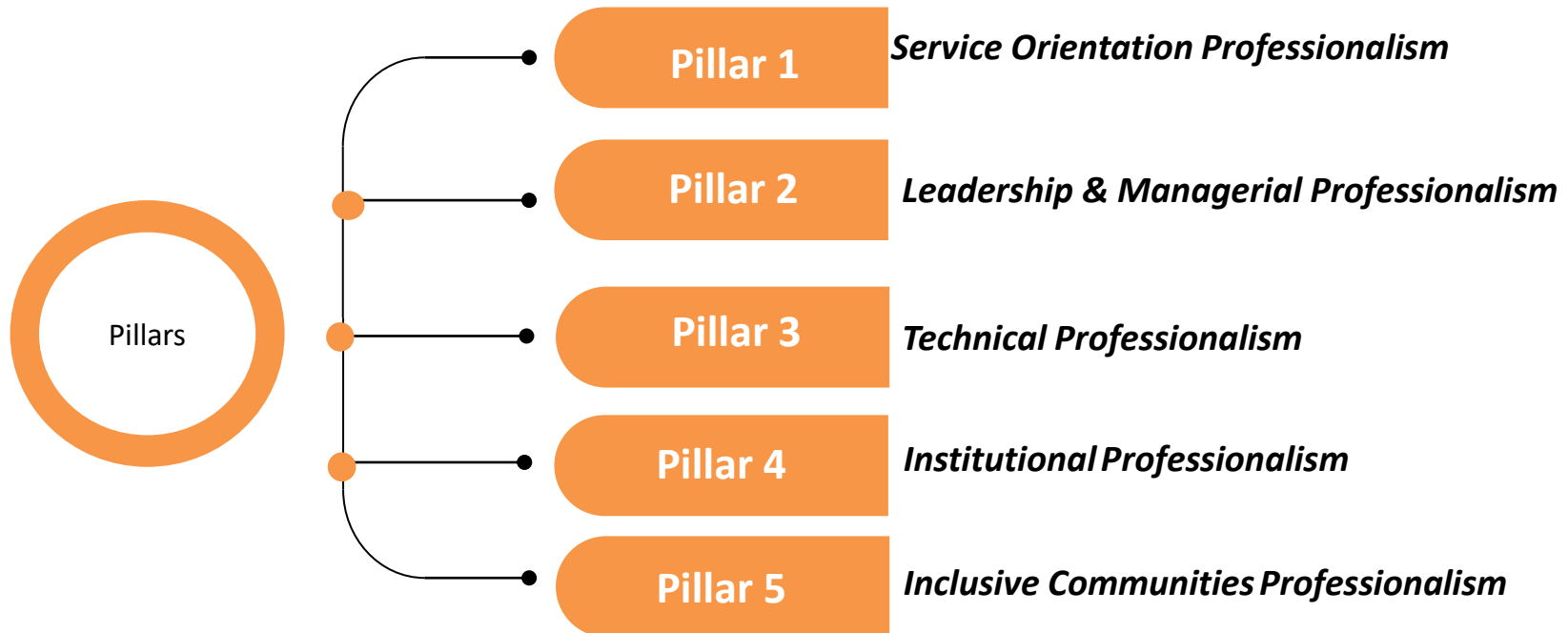
2022 SALGA NATIONAL CONFERENCE RESOLUTIONS

1. An intensive mobilisation process to be undertaken to secure constituency buy-in and implementation adoption by municipalities and other relevant stakeholders
2. Development and affirmation of a compact between municipalities, regulators, professional bodies & other relevant stakeholders on how to collaboratively give meaningful effect to an impactful LG Professionalisation Model.
3. Resolution of persistent problems related to the remuneration and conditions of service of the municipal senior management echelon & to support the reorientation of this important layer of municipal officials into a professionally licensed and properly remunerated cohort.
4. Benchmarking exercise on senior management remuneration and appropriate regulatory mechanisms
5. Performance metrics be developed & widely communicated to continuously monitor and evaluate against set professionalisation norms and standards whilst also intensifying efforts to support implementation.
6. Providing for integration of citizens in the professionalization efforts, jointly promoting professions and professionalism to the communities and improving community engagement and ownership.
7. Elevate gender responsive planning and budgeting to address the paucity of gender equality in the public sector, in general and across some sectors/roles, in order to further advance the objectives of gender equality.

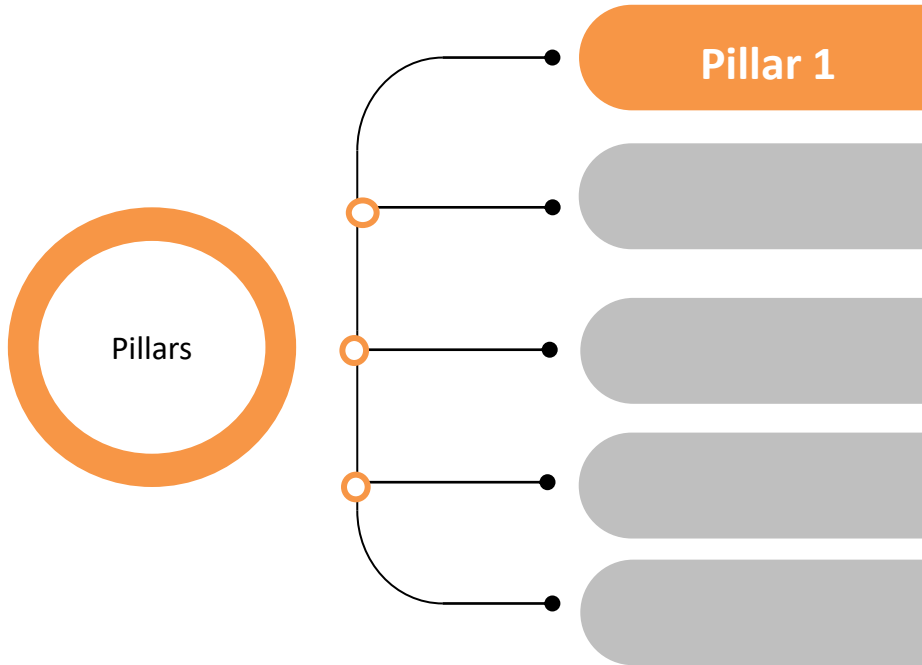
THE REPURPOSED LOCAL GOVERNMENT PROFESSIONALISATION MODEL



PILLARS OF THE LOCAL GOVERNMENT PROFESSIONALISATION FRAMEWORK

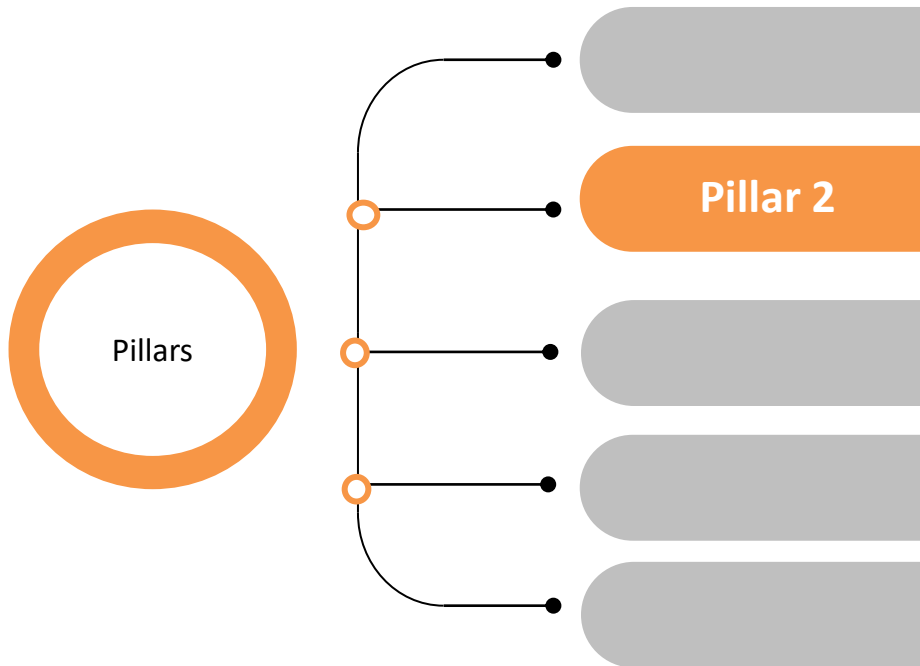


SERVICE ORIENTATION PROFESSIONALISM



This relates to the conformance to high standards of professional ethics, conduct and behaviour appropriate to serving the public; To be achieved through programmes linked to S195 of the Constitution, Batho Pele, Constituency delineation, mobilisation & compacting, Codes of Conduct for staff and Councillors, Service Charters Service Standards as well as Performance Metrics.

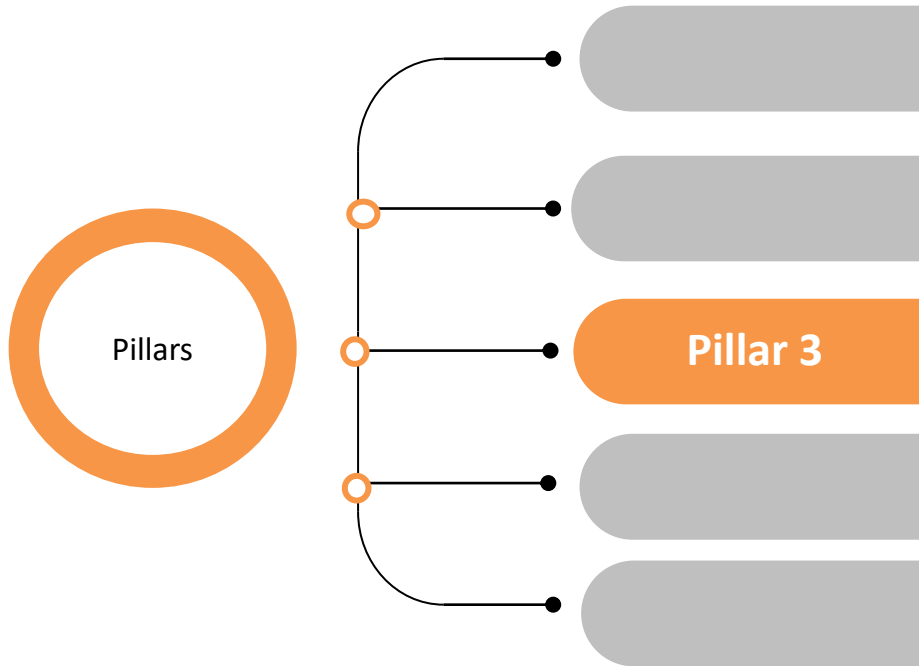
LEADERSHIP & MANAGERIAL PROFESSIONALISM



This envisions a development of a pipeline of managers at all levels and leaders to ensure competence in a wide array of areas such as governance, strategic capability, leadership, policy analysis and development, programme and project management, human resource and financial management, change and risk management, knowledge management, service delivery innovation, interpersonal relations, mediation, conflict management, diversity management and the display of exemplary ethical conduct

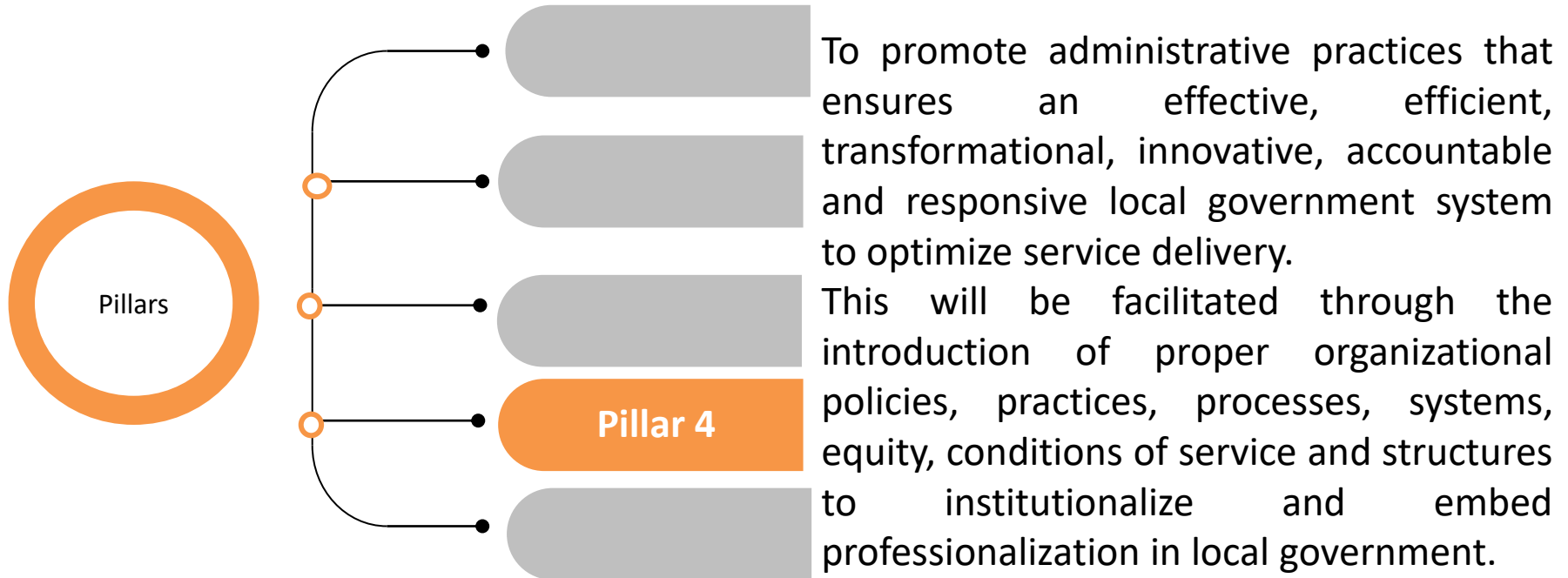


TECHNICAL PROFESSIONALISM



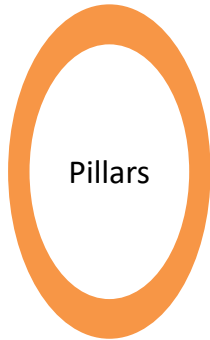
This refers to the acquisition/application of specialised/technical high level competence for a relevant occupation / profession at various levels within local government as context, through institutions of higher learning, establishment of a single independent professional authority for credentialing and licensing of professionals in LG.

INSTITUTIONAL PROFESSIONALISM



Inclusive communities

Professionalism



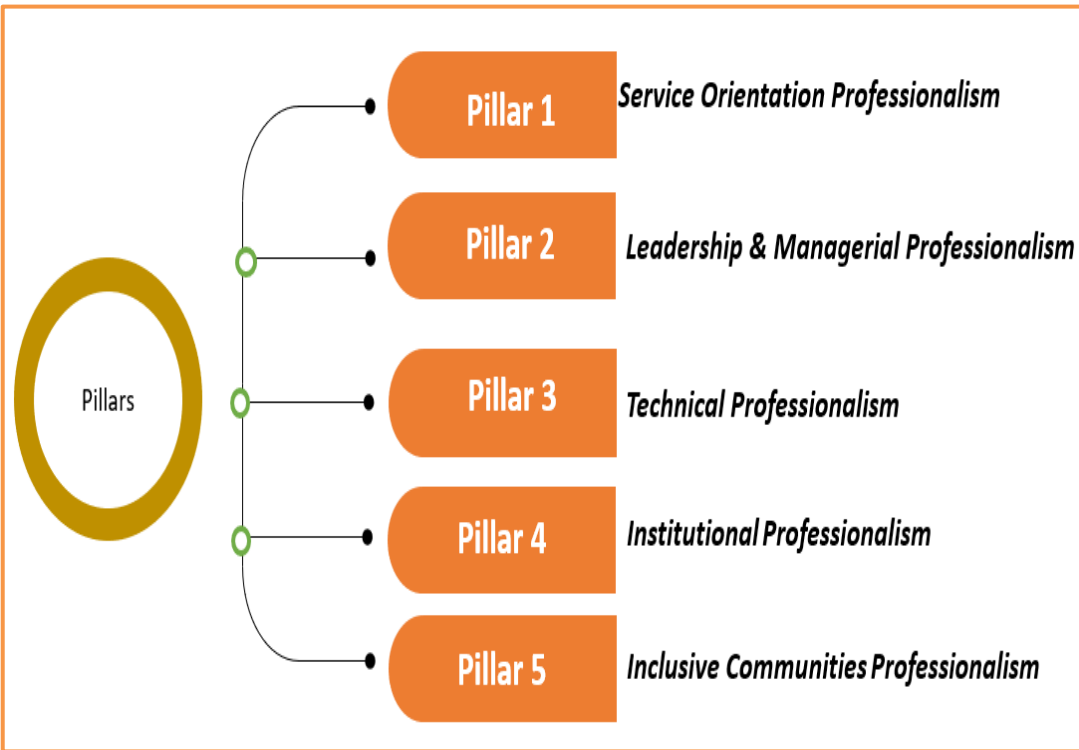
Pillars

Pillar 5

- The summary of the 5 objects of LG, ito. Section 152 of the Constitution:
- provision of **democratic & accountable** government for local communities;
 - Ensuring the **provisions of services to communities in a sustainable manner**;
 - Encouraging the involvement of **communities & community organization** in matters of local government.
- The MSA - (Chapter 4), S16&42, envisages a system of participatory governance which encourages & creates conditions for the community to participate in the IDP, PMS (setting kpi's, targets monitoring & review), budgeting, strategic decisions, building the capacity of the local community to participate in the affairs of the municipality without interfering with Councils rights to govern & exercise its Executive Authority.
- This would be facilitated through mechanisms, processes & procedures for community participation contemplated in section 17. (1), amongst others



Local Government & Public Sector Professionalisation Frameworks Aligned



Repurposed Local Government Professionalisation Framework



Public Sector Professionalisation Framework

Critical Questions

that Inform the Repurposed Professionalisation Implementation Journey

1. How many professional bodies have professionals employed in LG (municipalities, SALGA, national & provincial depts & other agencies)? How many of the members of each professional body are LG employees?
2. In what disciplines do these professionals operate by employee headcount and job/designation?
3. What are the various professional body registration & related requirements that apply eg membership fees, ethical standards or codes etc & how do these relate to or align to LG employment practices?
4. What is the Professional membership profile in LG by province, category of municipality, demographics etc?
5. What is professional or unprofessional about LG(culture, systems, practices, processes, structures, other)?



Critical Questions

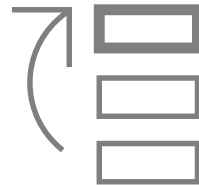
that Inform the Repurposed Professionalisation Implementation Journey

6. How do the various professional bodies see or envisage as the appropriate model of Professionalisation for LG now &/or going forward and is their body of thought contribution and insights into the matter?
7. What policy proposals and/or reforms have been produced, advocated and/or published in the domain of LG Professionalisation thus far in the broadly defined stakeholder ecosystem and what does it say oughts' to be done to realize this objective?
8. Who are the major stakeholders in the LG Professionalisation system & what influence assets/endowments do they possess or can be leverage to achieve a professionalisation success story?
9. What exists, is missing, and/or is inadequate in the legislative & policy discourse of LG to enable/facilitate/embed a LG Professionalisation ethos?
10. What are we missing/overlooking/undermining as a force of influence in this multi-dimensional process of major change for municipalities?





PRIORITY INTERVENTION AREAS FOR 2022/23



Key interventions to undertake in the Professionalisation journey

Invest resources and dedicated effort

- Toward reorientating LG functionaries to embrace the values and practices of professionalization

Advocate for an Independent Single LG Regulatory Authority

- Modelled along the lines of the PSC to oversee this area of work

Link how Institutional Professionalisation is Exhibited

- ✓ Conduct of functionaries within public organizations
- ✓ Organizational Design
- ✓ Customer – Facing Business Process Reengineering Arrangement
- ✓ Systems – Based Operating Environment
- ✓ Image . Perception that Customers have about the Professional Standing of the Municipal Sector

Monitor Professionalisation -through instruments of driving effective leadership, accountability, governance improvement & performance management

Undertake an Empirical Study - To determine norms and standards for elected leaders and administrative officials and review current mechanism of Institutional Professionalisation

Undertake Further Work

- To align the Perspectives on Institutional Professionalisation at a Transversal Level (Public Sector as a Whole)

MAPPING OF IGR

AND ASSOCIATED CONSTITUENCIES

Intergovernmental Constituency

Agriculture, Land Reform and Rural Development
Basic Education Civilian Secretariat for Comms &
Gov Communication & Digital Technologies Energy
Info. System Cooperative Gov.& TA
Defence Employment & Labour Forestry, Fisheries &
Health Environment
Higher Education
& Training Home Affairs
Human Settlements
Investigative Independent
Directorate Police
National School of Government Int. Relations & Cooperation
DPM&E Public Enterprises Justice & Correctional Services
National Treasury Mineral Resources & Energy
Public Works & Infrastructure Higher Education & Training
Science & Innovation
South Africa Tourism Social Development Small Business
SA Revenue Services State Security Agency SA Police Service
Statistics SA Sport, Arts & culture
Trade & Industry Competition Transport
Water & Sanitation Public Service Commission
Women, youth, persons with disabilities
Presidency Other: SAHRC, PSA, BUSA

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Set norms and standards

Concurrent powers

- Cooperatives
- Establish Professional Bodies
- Thought Leaders
- Legislation
- Secondments
- SoE's & MoE
- M&E
- SETA Establishment
- Oversight
- Municipalities
- Institutions of Higher Learning
- Community Based Formations



"STRONG PARTNERSHIPS FOR RESTORING TRUST IN A CAPABLE AND DEVELOPMENTAL LOCAL GOVERNMENT: A CLARION CALL TO DRIVE THE LOCAL GOVERNMENT PROFESSIONALISATION AGENDA"

SENIOR MANAGEMENT EMPLOYMENT AND SUMMARY OF REMUNERATION REVIEW ADVOCACY MEASURES



BENCHMARKING

Noting the challenges facing councils on the conditions of service of senior managers especially, the regulatory dimension on remuneration of that critical cohort of municipal officials, SALGA has commissioned a benchmarking exercise to achieve the following:

- Produce a market analysis report supported by detailed matrix containing relevant remuneration benchmarking data and a status quo analysis.
- Detailed proposed changes detailing specific areas of alignment on the remuneration and conditions of service of municipal senior managers;
- Impact assessment report detailing the implications and impact of the remuneration of senior managers framework in local government in comparison to the public and other sectors;
- Detailed cost impact analysis of the recommendations/proposed changes;

BENCHMARKING

- Develop recommendations to address findings and disparities;
- Recommendations on an appropriate regulatory mechanisms.
- The general conditions of service of senior managers;
- External and internal competitiveness of pay scales of senior managers
- Pay scales of third level managers within the scope of the bargaining council and synchronisation with the pay scales of senior managers
- SALGA inputs report on the conditions of services and remuneration of senior managers
- Recruitment trends of senior managers and municipalities' ability to fill senior vacancies due to pay scale
- Impact assessment outcomes with proposed recommendations to inform a pay scale and appropriate regulatory mechanism towards the professionalisation of local government



ADVOCACY REVIEW

- The proposed 1.5% cost of living adjustments is unacceptable owing to inflationary trends, the cost of living as well as interest rates and other cost drivers have escalated far beyond the average household CPI, this in contrast to the total percentage increase to Senior management being less than 10% over the last 5 years combined.
- Most municipalities face a dilemma in terms of the current remuneration regime in that subordinate employees reporting to managers that directly report to the Municipal Manager, in other words 3rd level of the organization managers are earning more than the maximum of the upper limits applicable in the municipality.
- Increases approved for senior managers have been significantly lower than that granted to other municipal officials. In most instances, these increases granted to senior managers have been at CPI or below CPI. The rationale for this is unclear. Remuneration of senior management averages at less than 3% of total payroll costs.



ADVOCACY REVIEW

- Some of the factors taken into account eg Total Municipal Income, population, Total Population, Municipal Equitable Share be used cautiously if not reconsidered, given the complexities entailed on each.
- Determination of Categorization / Change to a Higher or Lower Category and Implications for remuneration - A single grading systems should be designed
- Publish the **Notice timely to enable proper budget planning**, inclusive of anticipated salary adjustment for senior managers by Councils.
- The 14-day comments window period should be extended to allow sufficient time for consultation and compilation of positions to advance formidable policy design and development.
- **Offer of Remuneration on Appointment** biased towards competency achievement levels and as practice has proven, some candidates have scored differently ie. “Competent” at one time and “Basic” the other whilst assessed on the same batteries.



Transitional Provisions

- Provisions of this Notice exclude Senior Manager **contracts entered into in 2014** - The Department should give a determination in this regard
- Several challenges have been experienced with **securing authorized deviation** in respect of the provisions of the Notice. It was proposed that the **process for waiver applications be specified with a deadline** for responses from the Minister or MEC as the case maybe.

ADVOCACY REVIEW

SALGA recommended the following:

- the Minister publishes a Notice to sanction payment of an inflation related across-the-board increase, to enable senior managers to offset the cost-of-living expenses, effective immediately.
- Publish the Notice timely to enable proper budget planning by Councils.
- The 14 day comments window period to SALGA should be extended to allow sufficient time for consultation and compilation of positions.
- The Working Group (WG) established by CoGTA with terms of reference to resolve remuneration and conditions of service of senior managers, be comprised to include senior managers.
- Other matters raised with SALGA pertaining remuneration be attended to at the WG.
- The recently gazetted MSA amendment be placed at the centre of the WG owing to the fundamental implications for senior management conditions of appointment and employment.

STAATSKOERANT, 18 NOVEMBER 2022

No. 47538 3

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE

NO. 2760

18 November 2022

**LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000
(ACT NO. 32 OF 2000)**

**UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO
MUNICIPAL MANAGERS AND
MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS**

Enquiries: Mr. Rio Nolutshungu

Chief Officer:

Municipal Capabilities & Governance

Tel: 012 369 8000

E-mail: rnolutshungu@salga.org.za



Physical:
Block B, Menlyn Corporate Park,
175 Corobay Ave, Waterkloof
Glen Ext II, PRETORIA 0181

Postal: PO Box 2094,
PRETORIA 0001

CIRCULAR 40 / 2022

FROM : CHIEF EXECUTIVE OFFICER (ACTING)
MR LANCE JOEL

TO : EXECUTIVE MAYORS/MAYORS/CITY/MUNICIPAL MANAGERS
POLITICAL HEADS OF CORPORATE SERVICES, PORTFOLIO COMMITTEES,
SPEAKERS, HEADS OF CORPORATE SERVICES/HUMAN RESOURCES

DATE : 21 NOVEMBER 2022

GOVERNMENT NOTICE ON THE DETERMINATION OF 2021/2022 UPPER LIMITS OF THE TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS



2021 / 2022 FINANCIAL YEAR NOTICE - KEY FEATURES

This Notice on Upper Limits for the 2021 / 2022 financial year, **was published on 18 November 2022**, in Government Gazette (GG) number 47538.

Cost of Living Adjustments (CoLA)

- A one and half percent (1.5%) cost of living adjustment is determined.

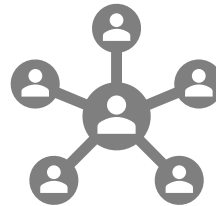
In addition to the above, a **non – pensionable cash gratuity** is offered as follows:

- **R1, 695.00** payable monthly to senior managers earning a total remuneration package below R1,900,000 for the 2021/22 municipal financial year; or

R1, 818.00 payable monthly to senior managers earning a total remuneration package of R1,900,000 and above for the 2021/22 municipal financial year.

The non-pensionable cash gratuity is backdated, ie. payable from 1 July 2021 until 30 June 2022.

MUNICIPAL CAPABILITIES TO FACILITATE THE IMPLEMENTATION OF PROFESSIONALISATION



MUNICIPAL CAPABILITIES ASSESSMENT

- The pillar of **“Institutional Professionalisation”** aims to promote administrative practices that ensures an effective, efficient, transformational, innovative, accountable and responsive local government system to optimize service delivery.
- This will be facilitated through the introduction of proper organizational policies, practices, processes, systems, equity, conditions of service and structures to institutionalize and embed professionalization in local government.
- How do we know where municipalities are at, and where the support/improvement is needed?



MUNICIPAL CAPABILITIES ASSESSMENT

Targeted Respondents:

- Mayor
- MMCs
- Speaker of Council
- Chairpersons

Purpose

- Benchmark municipal processes and practices
- Identify areas of improvement at frequent intervals
- Share knowledge and learn from good practices
- Determine their capacity for self-improvement
- Produce evidence for advocacy in the interest of the sector

Rationale

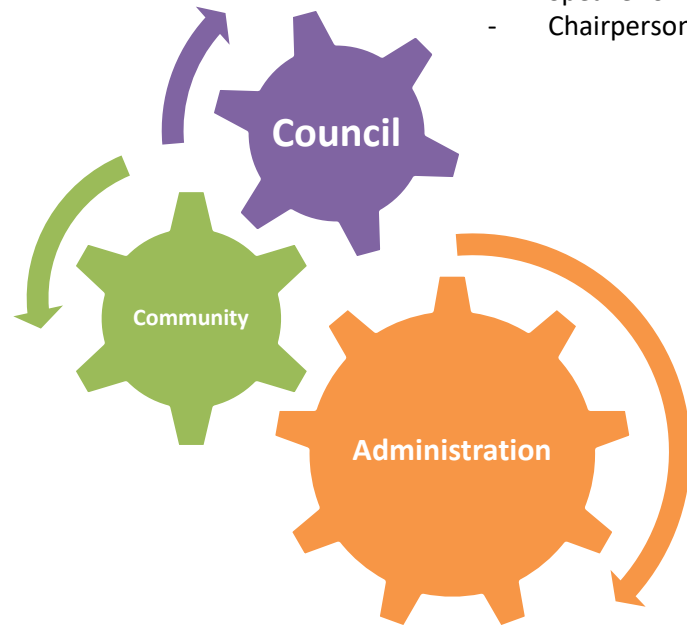
- A capable and reputable local government is developed incrementally over time and is the institutional sum of its constituent capabilities.
- There is a need to assess these capabilities from the vantage point of the highest political and administrative leadership of the municipality

Modality

- Periodic assessments undertaken by the targeted respondents
- Assessment reports with findings and implementation plans for improvement
- Direct support on areas of improvement towards a desired state and ultimately striving towards an optimised state

Targeted Respondents:

- Municipal Manager
- Senior Management



MUNICIPAL CAPABILITIES ASSESSMENT CONT...

ELEMENTS OF ASSESSMENT

CAPABILITIES

People

- Who is the person (organizational position) **responsible** for the municipal capability? What are the **supporting roles** for the delivery of the capability and are the incumbents suitably qualified according to **minimum requirements**?

Policies & Processes

- How are current processes, policies, and procedures **documented and shared** so they can be learned quickly and improved on? Are there formal documents? How are policies and procedures **reviewed and updated**?

Innovation

- Are there **new or significantly improved approaches** to deliver the capability, in line with emerging trends and changing sector dynamics? Has a new or improved approach lead to a **visible transformation** to the delivery of the capability?

Strategy/
Information

- Is the delivery of capability aligned to what the municipality is **trying to accomplish**? Are decisions and plans informed by **accessible documentation** and records?

OPTIMISED STATE

DESIRED STATE

CURRENT STATE

RECOMMENDATIONS APPROVED BY THE PMA

It is recommended to the PMA that:

- Municipalities **affirm their support** for the repurposed local government professionalisation model and the identified areas of implementation priority.
- In giving effect to such support, municipalities in their widest definition (community, council & administration), are called upon to **participate in the SALGA professionalisation programme activities** (constituency engagements; comparative benchmarking; capability assessments; respond to call for papers/inputs) up until the convening of the Local Government Professionalisation Indaba in March 2023 (whose date is subject to approval by the NEC).
- Municipalities **note** that one of the key outcomes of the 2023 Local Government Professionalisation Indaba is a **compact between municipalities, regulators, professional bodies & other relevant stakeholders** on how to collaboratively give meaningful effect to an impactful local government professionalisation system in the future.
- Municipalities **note** that the recently instituted COGTA process of reviewing local government legislation towards a fit-for-purpose **reform agenda** is one of the significant platforms for facilitating the introduction of policy changes needed to give effect to the professionalization of local government.
- Municipalities **note** that special efforts are being made by SALGA to **advocate for a wholesale review of the municipal senior management employment and remuneration** regime through various mechanisms (e.g. to extend the term of office of MMs from 5 years to 10 years similar to DGs & HoDs in the public service).



Thank You

