GUIDELINE DOCUMENT:

TRANSFER OF STAFF FROM DEPARTMENT OF HUMAN SETTLEMENTS TO METROPOLITAN MUNICIPALITIES.

A. Introduction

South Africa faces a legacy of inequality and structural poverty inflicted upon a majority of the people through the injustices of the past.

In order to make a redress of this situation and endeavour to amend the imbalances of the past, the government adopted a policy called the Reconstruction and Development Policy (RDP).

Amongst other things that this policy sought to achieve was the eradication of the housing backlog amongst the poor.

To this end the Department of Human Settlements (then Department of Housing) was mandated to deliver habitable, low cost quality houses for qualifying citizens.

This document seeks to guide minimum guidelines in the transfer of staff from the aforementioned Department to Metropolitan Municipalities in the country, in support of the process of transferring the Housing function to local government, as aspired by Salga.

B. Context of public sector transfers

The transfer of staff amongst and across spheres of government needs to be understood in its proper context.

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In private business (or private sector) this is much easier than in the public sector.

The assumptions of this transfer are that it is a transfer that is executed in terms of section 197 of the Labour Relations Act.

In this context it should be appreciated that the new employer (Metropolitan Municipalities) adopts a group of employees on terms and conditions that they (Municipalities) did not design, and yet have to uphold the principle '*that employees should not be worse off as a result of the transfer'.*

To this end a requirement exists that a lot of data should be gathered prior to the actual transfer. At this stage the new employer should have an organisational strategy.

Another context that needs to be emphasised in this process is the transformation thrust.

Matters of equity, sustained development of employees and business excellence, need to be properly defined and executed.

C. Data gathering and analysis

This is one of the most critical aspects of the transfer process, as it informs the entire process moving forward.

Amongst other issues, the following data **must** be obtained:

i. Conditions of service of the employees.(including salaries)
ii. Retirement fund
iii. Medical aid
iv. Length of service of employees.
v. Employee categories (post levels)
vi. Age profile of employees
vii. Skills profile of employees
viii. Accrued annual leave and other leave entitlements
ix. Accrued sick leave (if any)
x. Working hours

xi.   Senior (executive) management remuneration

xii.   Grading system (job evaluation).

xiii.   Employment contracts.

xiv.   Outstanding individual disputes, pending disciplinary cases and grievances.

xv.   Outstanding liabilities.

xvi.   Collective agreement.

xvii. Potential redundancies.

The analysis of this data will inform how these issues affect practical operational and financial implications for the new employer.

D. Implementation

The process of implementing the actual transfer is defined in this guideline as a 3- phase process.

Phase 1

This phase constitutes the clarification of the role of the old and new employers, issues of engagement and contractual arrangements.

This phase also includes the clarification on the analysis of all the data that has been gathered and analysed.

It also includes an understanding of possible redundancies and how these will be dealt with.

It also entails engagement and/or consultation with labour unions and relevant stakeholders

It is also assumed that at this phase the job descriptions of all the prospective positions have been done.

At this phase the new employer shall design a high level structure (MACRO) of the organisation and be in the process of refining the low level (MICRO) organisational structure, and have it approved.

Consultations with Labour Unions and other stakeholders takes place in earnest at this phase. Note that consultation should be conducted when all information/data has been obtained, analysed and clarified.

Phase 2

This phase is the actual transfer process.

At this phase, employees sign up new transfer letters and letters of appointment to new employer.

Employees are being placed according to the approved organisational structure.

Senior (executive) management is appointed and appropriately placed.

Employees are inducted in to their new environment. Mobility and relocation issues are finalised and employees understand their new dispensation.

Agreements (where necessary) are reached with unions, on terms and conditions of employment, as well as transitional arrangements.

The old employer and the new employer agree on transitional arrangements, these may include the following.

- ❖ Retirement funding deficits where they occur.
- ❖ Medical aid deficits where they occur
- ❖ Relocation expenses are compensated
- ❖ Redundancies – determine who pays for those
- ❖ Outstanding liabilities and disputes
- ❖ Selection of transferees
- ❖ Period of support from old employer.

Phase 3

This is the ultimate stage of the transfer.

At this stage there is political sign – off of the project.

Employees are graded in the new grading system (TASK) and agreement is reached on how to adjust to new grades.

Human Resource Development is being implemented.

Placement is finalised.

Employees have been inducted

Redundancies have been addressed and finalised

At this phase some municipalities may want to make a definition of "Day One" of the transfer.

E. Enablers

For the process to be rolled out smoothly, these are some of the enablers or environmental factors to consider:

- ❖ Effective and transparent communication channels should be encouraged and utilised.
- ❖ Disclosure of information is key, especially during consultation sessions.
- ❖ The role of leadership should be clarified.
- ❖ There should be political will to see the process through.

F. Conclusion

At the end of the Metropolitan Municipalities will be in a position, to ensure:

- ❖ That they maximise and retain talent.
- ❖ That they minimise or eradicate redundancies.

- ❖ That they increase operational efficiencies.
- ❖ That they adhere to a code of Good practice.
- ❖ That they deliver services optimally and according to predetermined service levels and ensure value for money.