

LOCAL GOVERNMENT SECTOR EDUCATION AND TRAINING AUTHORITY

# SECTOR SKILLS PLAN 2018/19

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**LGSETA**  
CREATING GREATER IMPACT



## FOREWORD

It is a great pleasure to present the Local Government Sector Skills Plan for 2018/2019. The Local Government Sector Education and Training Authority (LGSETA) is responsible for developing the Local Government Sector Skills Plan, as mandated by the Skills Development Act, 1988, Section 10 (1) (a) and guided by the Department of Higher Education and Training (DHET) SSP Framework and Requirements – SSP and Annual Updates 2016 to 2018. The SSP for 2018/2019 provides a strategic overview of the local government sector and its skills gaps, and further outlines the key skills priorities, taking into consideration key legislation and policy imperatives that affect the sector.

The LGSETA has a significant mandate to facilitate skills development within this sector in accordance with the National Skills Development Strategy III, the Medium-Term Strategic Framework (2014 to 2019), National Development Plan (NDP), White Paper for Post-School Education and Training, New Growth Path Framework, Human Resource Development Strategy for South Africa 2010 to 2030 (HRDS-SA), and the SETA Grants Regulations (2012).

This SSP Update has been developed as a national document with a view to be used by all local government stakeholders, including governmental departments, municipalities, municipal-owned entities, municipal-related entities, officials, employers, unions, policy makers and SETA staff, and should be used as one of a range of critical documents to inform skills planning and strategic decision-making in the sector. The Local Government SSP aims to address skill development priorities determined by the sector for the purpose of enhancing skills and ensuring the development of a skilled and capable local government workforce.

The LG SSP is reliant on up-to-date data to inform skills development priorities so that we can support the sector with relevant programmes and interventions, which are aimed at making a difference to the lives of employees, workplaces, communities and the local government sector. Such skills interventions to address the skills gaps aim to empower employees, as well as to transform the sector.

We thank all the role-players and stakeholders that form part of the local government sector, as well as the various research partners who have contributed to helping us understand our sector better. We further thank those who have contributed to the development of this SSP, which informs the development of the LGSETA Strategy and the Annual Performance Plan (APP). As part of our mandate, we will continue to work with our municipalities and stakeholders to facilitate capacity and help improve skills planning processes to ensure municipalities submit reliable and accurate data through the submission of workplace skills plans (WSPs). The LGSETA continues to strive towards achieving service excellence to enable transformation of skills development at local government level across South Africa.



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**Ms. GUGU DLAMINI**  
**LGSETA CEO**

Date: 1 August 2017



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**Dr. MICHAEL SUTCLIFFE**  
**LGSETA ACCOUNTING AUTHORITY**

Date: 1 August 2017

# LIST OF ACRONYMS

<b>ACI</b>	African, Coloured and Indian	<b>NGO</b>	Non-Governmental Organisation
<b>AET</b>	Adult Education and Training	<b>NGP</b>	New Growth Path
<b>AGSA</b>	Auditor-General of South Africa	<b>NPC</b>	National Planning Committee
<b>ATR</b>	Annual Training Report	<b>NPO</b>	Non-Profit Organisation
<b>CBO</b>	Community-Based Organisation	<b>NQF</b>	National Qualifications Framework
<b>CEPD</b>	Centre for Education Policy Development	<b>NSA</b>	National Skills Authority
<b>CIPC</b>	Companies and Intellectual Property Commission	<b>NSDS</b>	National Skills Development Strategy
<b>CoGTA</b>	Department of Co-operative Governance and Traditional Affairs	<b>OFO</b>	Organising Framework for Occupations
<b>CPUT</b>	Cape Peninsula University of Technology	<b>PDI</b>	Previously Disadvantaged Individual
<b>CSIR</b>	Council for Scientific and Industrial Research	<b>PFMA</b>	Public Finance Management Act, 1999
<b>DEDEA</b>	Department of Economic Development and Environmental Affairs	<b>PIVOTAL</b>	Professional, Vocational, Technical and Academic Learning
<b>DHET</b>	Department of Higher Education and Training	<b>PSET</b>	Post-School Education and Training
<b>DoL</b>	Department of Labour	<b>QCTO</b>	Quality Council for Trade and Occupations
<b>DPLG</b>	Department of Provincial and Local Government	<b>RPL</b>	Recognition of Prior Learning
<b>DPME</b>	Department of Planning, Monitoring and Evaluation	<b>SACN</b>	South African Cities Network
<b>DTI</b>	Department of Trade and Industry	<b>SALGA</b>	South African Local Government Association
<b>DUT</b>	Durban University of Technology	<b>SAMWU</b>	South African Municipal Workers' Union
<b>DWA</b>	Department of Water Affairs	<b>SAQA</b>	South African Qualifications Authority
<b>ETU</b>	Education Training Unit	<b>SCM</b>	Supply Chain Management
<b>GDP</b>	Gross Domestic Product	<b>SDA</b>	Skills Development Act
<b>HEI</b>	Higher Education Institution	<b>SDF</b>	Skills Development Facilitator
<b>HRD</b>	Human Resource Development	<b>SETA</b>	Sector Education and Training Authority
<b>HRM</b>	Human Resource Management	<b>SIC</b>	Standard Industrial Classification
<b>HSRC</b>	Human Sciences Research Council	<b>SLA</b>	Service Level Agreement
<b>ICT</b>	Information Communications Technology	<b>SMME</b>	Small, Micro and Medium Enterprises
<b>IMATU</b>	Independent Municipal and Allied Trade Union	<b>SSP</b>	Sector Skills Plan
<b>LED</b>	Local Economic Development	<b>Stats SA</b>	Statistics South Africa
<b>LGSETA</b>	Local Government Sector Education and Training Authority	<b>TVET</b>	Technical Vocational Education and Training
<b>MFMA/P</b>	Municipal Financial Management Act / Programme	<b>UFS</b>	University of the Free State
<b>MOU</b>	Memorandum of Understanding	<b>UNDP</b>	United Nations Development Partnership
<b>MTSF</b>	Medium-Term Strategic Framework	<b>VUT</b>	Vaal University of Technology
<b>NDP</b>	National Development Plan	<b>WIL</b>	Work-integrated Learning
<b>NEET</b>	Not in Employment, Education or Training	<b>WSP</b>	Workplace Skills Plan

## EXECUTIVE SUMMARY

The Local Government SETA derives its legislative mandate from the Skills Development Act of 1998 (Act 97 of 1998). Under Section 10(1) (a) of the Act, each SETA must develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy (NSDS) III. The Local Government SETA has prepared the SSP 2018/19 Update in accordance with the requirements of the Department of Higher Education and Training (DHET) and the policy context for skills planning, which includes the NSDS III, the Human Resource Development Strategy 2010 to 2030, National Development Plan (NDP), and the New Growth Path (NGP): The Framework and the National Skills Accord (NSA).

The SSP is based on the research and monitoring of trends in the local government sector. As part of its labour market mechanism, the Local Government SETA has built its own data system, which supports the statistical information reflected in this document. The SSP draws primarily on the Workplace Skills Plan (WSP), but information is supplemented by other research and stakeholder engagements.

Chapter One: “Sector Profile” includes an overview of the scope of coverage for the LGSETA. A model for examining role-players was presented, intending to highlight all possible areas of potential co-operation. Stakeholders identified, can share a common vision/mandate, and can be an implementation partner, a service provider, or a beneficiary. Structuring partnerships with these categories of stakeholders, will each yield their own benefit. Since local government is a public service, rather than an economic sector, the notion of service delivery was explored and articulated to track the outcomes and impact of SETA interventions.

Finally, an employer and employee profile were presented. The current financial year saw a 100% completion rate on WSPs, including 21 municipal owned entities, local government-related entities or other private organisations paying levies to LGSETA. Based on WSP data, employment is at 267 140 people. There was a marginal 0.1% increase in employment overall. In terms of employment equity, many occupations are transformed, with just over three quarters of all employees being African.

The overall educational profile of the staff in local government is fairly low. Only 53% (140 734) of employees have a matric or higher. Of concern is that nearly one-fifth (17.5% or 4 389) of managers have educational attainment below matric.

The sector has not employed many disabled workers nationally, with only 1 886 (0.7%) reportedly having a disability. All provinces reported employing below the target proportion of 2%, with the Western Cape showing the highest proportion at 1.4%.

There is a healthy spread across age categories in most occupations with little risk of replacement demand for skills due to retirement.

Chapter Two: “Key Skills Issues” presents an analysis of the key factors driving change in the local government sector, and the corresponding implications for skills planning and evidence of meaningful stakeholder participation. There is a myriad of factors affecting skills demand and supply and this includes changes that affect the way work is done in the sector. Such change drivers are Minimum Competencies for Municipal Officials, Integrated Urban Development, Rural Municipalities, Technology and Transitioning to a Green Economy.

An assessment of key policies was examined and the key LGSETA strategic focus areas were identified. The strategic focus areas were derived mainly from the municipal key performance areas. They are Good Governance and Institutional Development, Traditional Leadership and Development, Financial Management, Infrastructure Development and Basic Services and Municipal Planning.

Chapter Three: “Occupational Shortages and Skills Gaps” deals with understanding the extent of skills mismatches in the sector. It focuses on the supply and demand for skills at an occupational level. A macro level assessment of skills was not included in favour of a detailed assessment per occupation and in terms of the demand and supply of skills within priority occupations. Such priority occupations were defined according to the strategic focus areas.

The combined analysis flagged occupations identified as being scarce, having critical skills, or both. This led to occupations being flagged for intervention and/or included on the PIVOTAL list. A distinction was made between skills shortages/scarce skills and unmet demand. A total of nine occupations out of the priority list of occupations were flagged as having a skills gap. An additional seven occupations were flagged from the balance of occupations identified in the sector. The stakeholder engagements qualitatively assessed the list and determined that some occupations were flagged based on non-labour market issues, whereas other occupations (such as plumbers and electricians) are scarce, but are not flagged due to the dynamic where people are in the posts, but they are not suitably qualified.

Critical skills were articulated in a number of key areas. Most notably, management occupations showed less severe shortages (scarce skills) with the focus on skills gaps. Similarly, traditional leaders require interventions to close gaps, ranging from literacy to leadership and management skills. Other critical skills include:

- Local Economic Development, which is both a scarce and critical skill.
- Skills Planning which is a core strategic area as the lack of these skills undermines the impact on other training interventions.
- Green economy.

The supply of skills was not assessed on a macro level, but rather focused on the specific learning pathways affecting the priority occupations. The indicators for the supply of skills in these learning areas were based on the changes in enrolment and graduate numbers expressed as a percentage. The reason is that expressing the numbers in absolute terms is not useful, as the proportion of skills that will flow into local government from the pool is not known (except for specialised local government programmes). Instead, the changes in supply (up or down) will give an indication on the tightening or loosening of supply constraints on the sector. The analysis showed an increase in supply in terms of municipal planning-related qualifications and a decline in finance. The Local Economic Development (LED) Learnership, as a pathway into the occupation, is underutilised with very few enrolments and graduates. A total of 10 occupations were confirmed to be on the PIVOTAL list, by examining the current findings from supply and demand indicators, qualitative input from provinces, as well as factoring in key research findings.

Chapter Four: “Sector Partnerships” presents a model for partnerships, which builds on the stakeholder analysis in chapter one. The chapter outlines the different categories of partnerships LGSETA has entered into as well as the purpose, progress, and intended outcomes of such partnerships. The chapter also presents an identification of new partnerships being targeted or investigated, with the goal of creating synergies in the sector.

The final chapter, “Skills Priority Actions”, consolidates and presents the findings from previous chapters and reflects on priority actions for the sector in line with the Strategic Focus Areas of the SETA. It reflects the methodology of linking the SSP into a more integrated strategic process. The following recommended actions are stated:

1. First, LGSETA should continue with the existing skills priorities for councillors and new municipal managers. Since both CoGTA and SALGA also have an interest in developing new members following the elections in 2016, a co-ordinated approach will be continued to maximise outcomes.
2. With 15% of employees having NQF level 1 or lower, Adult Education and Training should remain a priority.
3. Regarding the geographic constraints, small and rural municipalities will experience shortages, based on their own local labour market and those in the broader labour market. When developing key occupations in remote areas, the funding agreements should include a requirement to work in the designated area for a period of time. Furthermore, the placement of candidates in professional occupations in remote areas should be investigated.

4. The development of capacity in municipalities to support LED is low, with a limited supply of skills flowing into key occupations. There needs to be a focus on the LED Learnership (NQF 5) as well as the core skills required for LED including Analytical Skills, Developmental Economics and Small, Micro and Medium Enterprise (SMME) development.
5. The hard skills throughout the value chains associated with basic service delivery, should continue to be supported. This includes operators to artisans to managers with particular focus on the occupations raised in the analysis.
6. Implementation of the minimum competencies in Finance and Supply Chain occupations will continue and, as a result, the relevant learnerships will remain a priority and will continue to be supported by LGSETA.
7. Traditional leaders have been elevated from a sub-focus area under governance, to its own primary strategic focus area. Therefore, specific programmes will be implemented for traditional leaders, moving forward.

Chapter 3 indicated how the impact of training is being dampened by inadequate skills planning competencies in the sector. This should be a key priority moving forward as it represents the core mechanism for the LGSETA to affect change. As a result, the LGSETA has identified the following measures to address the systemic challenges identified in the research:

1. Roll out a support programme for skills planning.
2. Establish a more robust system for monitoring and evaluating programmes supported by the SETA.
3. Review DG Policy to allow for multi-year funding awards.
4. Support mentoring initiatives and programmes.
5. Encourage management commitment to training.

In conclusion, there has been progress noted in a number of occupations that were previously flagged as experiencing shortages while others remain in need. Interventions from the LGSETA will continue to target these strategic areas, as well as those newly identified by the research.

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## RESEARCH PROCESS AND METHODS

A multi-faceted research methodology was used to provide data for analysis. The approach included three components, namely a document review, data analysis, and stakeholder engagements. These three approaches combined the benefits of both qualitative and quantitative research methods to inform the Strategic Focus Areas to support skills planning in the LGSETA.

The document review and data analysis exercise were conducted and informed the first draft submission. Key findings, input and comments were shared with stakeholders for qualitative engagement and clarity. These combined input were incorporated into the final SSP version submitted to the Department of Higher Education and Training.

### DOCUMENT REVIEW (SECONDARY RESEARCH PROCESS)

The document review involved a review of relevant literature to consolidate the knowledge available and provide context and impetus to the planning process. Of particular attention were policy documents and strategies for organisations and initiatives operating with the same intentions in the sector. Further studies on skills gaps and needs within specific areas of the local government sector were further examined and incorporated into the analysis. Table 0.1 provides an overview of the research reports commissioned by the LGSETA and their respective methodologies, which are discussed in the next section.

### DATA ANALYSIS (QUANTITATIVE – SECONDARY DATA)

The only regular source of occupation specific data, comes from Annexure 2 (WSP/ATR) submissions by employers. Informed by WSP/ATR, the labour market analysis was conducted at an occupational level. In order to develop and implement effective programmes that will affect the institutional capacity of municipalities, there needs to be a detailed understanding of the skills requirements to the 4<sup>th</sup> or 6<sup>th</sup> digit of the OFO. The goal of the Annexure 2 analysis was to create the empirical basis for the plan. While the data quality is not ideal, it still represents the most feasible means of profiling the constituency and assessing the stock of skills. The limitations of the data can be overcome by:

- Seeking additional sources where findings can be compared and corroborated; and
- Validating findings through qualitative stakeholder engagements.

### STAKEHOLDER CONSULTATION (QUALITATIVE – PRIMARY DATA)

The final element of the methodology is the qualitative stakeholder consultation. The purpose of the engagements was to establish:

1. Whether the conclusions drawn from the data reflect the experiences of stakeholders;
2. Understand the context, drivers, and implications of various skills shortages identified by the desktop analysis. This is important as it provides the rationale behind the prioritisation of certain needs over others;
3. Whether there are any skills gaps in the findings or needs not represented in the data, but still require an intervention from the LGSETA.

Table 0-1 Summary of Research Projects

Topic	Nature (Design) of the Study (Quantitative or Qualitative)	Objectives of the Study	Data Collection Tool	Sample Size and Scope of the Study	Time Frame of the Study	Prepared by
<b>Challenges facing Adult Education and Training in the Local Government Sector, South Africa</b>	A mixed method design, "mixing" of quantitative and qualitative data within a single investigation or sustained programme of inquiry.	To assess challenges facing adult education and training in the local government sector.	An assessment of the relevant literature on AET, identifying gaps, especially in the local government space in SA. Key stakeholder interviews and engagements with relevant municipalities, educational experts and academics, facilitators, and all relevant stakeholders.	The techniques applied in this study include quantitative secondary data analysis, primary document analysis, key informant interviews and active dialogues over a period of six months.	The project was a six-month project with a final report submitted on 31 March 2017	Human Sciences Research Council (2017) for the LGSETA
<b>Discretionary Grants Impact Assessment</b>	Literature review, qualitative data collection through key informant interviews and quantitative data collection which involved a quantitative assessment based on an analysis of the different data sources.	The impact assessment of the LGSETA's discretionary grants programmes sought to determine what effect the programmes funded have had on the beneficiaries while establishing if such effects have translated into changes in service delivery capabilities of the affected municipalities.	The review covered the Theory of Change, project cycle, as well as the context within which municipalities were operating at the start of the period under review, while telephone interviews were used to interview busy key informants and quantitative analysis of diverse data sources.	The scope of the impact assessment covered the 2013/14, 2014/15 and 2015/16 financial years. The sample for primary data collection was drawn from all municipalities nationwide.	2016/17	Enterprise of University of Pretoria (2017) for the LGSETA

Topic	Nature (Design) of the Study (Quantitative or Qualitative)	Objectives of the Study	Data Collection Tool	Sample Size and Scope of the Study	Time Frame of the Study	Prepared by
<b>Analysis of green occupations: The local government sector perspective</b>	Literature review, qualitative data collection through an in-depth Green Economy study of the 9 provinces in South Africa. A study was carried out to analyse existing and potential green occupations, and identify green qualifications and skills necessary for the development of green economy practices.	The green occupation study sought to identify and unlock the future skills requirements for the green economy occupations in the local government sector, as well as conduct a skills audit on the green economy occupations in the local government sector.	Literature review, survey and inspection of plants in local and metropolitan municipalities. Questionnaires were developed taking into consideration the objectives and relevant literature study.	96 treatment plants spread across the 9 provinces of SA.	2016/17 (completed March 2017)	Vaal University of Technology (2017) for the LGSETA
<b>Technical skills challenges in the Local Government Sector</b>	A mixed-method research design was followed in both a positivist and interpretivist scientific paradigm.	To provide an analysis on the technical skills challenges in the Local Government Sector; To conduct the skills audit on the technical skills in the local government sector; To identify factors that contribute to the non-functionality of the technical divisions.	Purposive sampling procedures were applied to select respondents (i.e. online questionnaire) and participants (i.e. semi-structured interviews), in selected municipalities.	The scope of the project was to obtain a representative sample of the entire Local Government Sector in South Africa. A national survey was conducted in all nine provinces.  Representative samples of 36 municipalities were both randomly and purposively sampled.	2016/17 (delivered 31 March 2017)	Enterprise of University of Pretoria (2017), for LGSETA

Topic	Nature (Design) of the Study (Quantitative or Qualitative)	Objectives of the Study	Data Collection Tool	Sample Size and Scope of the Study	Time Frame of the Study	Prepared by
<b>Local Government Skills Forecasting Model</b>	A mixed method design using both quantitative and qualitative data.	To develop a model to forecast the demand and supply of skills in the local government sector in South Africa. The model will provide information to assist skills planning.	An examination of current water system risks, drivers of risk and prevention or mitigation measures; which also included desktop research, surveys and workshops.	Examine stakeholders of the operational Water System, their perception indicators, current performance, current plans and strategies, actual required performance, performance gap, previous successes and failures, trends, drivers of perception indicators and performance gaps.	The Project commenced on 1 August 2015 and has come to completion with Phases I and II on the 31 March 2017	Council for Scientific and Industrial Research (CSIR, 2017) for LGSETA
<b>Local Government Middle Management Professionals Skills Development</b>	The overall research design was divided into quantitative and qualitative studies. A cluster sampling (metro, district and local categorisation) was followed, using non-probability sampling.	To enhance management skills for middle management professionals in the local government sector.	The study employs both the qualitative and quantitative research methods that allowed the data collection from the use of questionnaire survey and seminal focus group including observations.	The questionnaire survey was sent to a total population of 180 key informants and covers five provinces (Eastern Cape, Limpopo, Gauteng, North West and KZN) as a unit of analysis. In terms of the response rate, over 100% (280) questionnaires were returned, captured and analysed.	2016/17 (delivered 10 March 2017)	University of Fort Hare (2017) for the LGSETA

Topic	Nature (Design) of the Study (Quantitative or Qualitative)	Objectives of the Study	Data Collection Tool	Sample Size and Scope of the Study	Time Frame of the Study	Prepared by
<b>The Challenges Faced by the Municipal Skills Development Facilitator in the Planning and Implementation of Skills Development Interventions</b>	<p>The research design of this project follows a multi-method approach, including both qualitative and quantitative data collection techniques. A qualitative methodology allows for the collection of data that is exploratory and observational.</p>	<p>To evaluate the challenges faced by Skills Development Facilitators and municipalities which are a contributing cause of poor skills development practices in municipalities.</p>	<p>The study, among others, entailed the identification of the middle management professional's skills development gaps and thereby proposed an effective middle management professional's skills development initiative. The conceptual and theoretical expositions, including global and regional perspectives, underpin the study to inform data analysis that employed both SPSS and Excel tools.</p>	<p>In terms of the municipalities surveyed, 26 (52%) came from the metros and 22 (94%) from the district municipalities. The greater proportion of the municipalities surveyed came from the local municipalities in the five provinces under study.</p>	2016/17	Stellenbosch University School of Public Leadership (2017)

Topic	Nature (Design) of the Study (Quantitative or Qualitative)	Objectives of the Study	Data Collection Tool	Sample Size and Scope of the Study	Time Frame of the Study	Prepared by
<b>Skills Transfer in Municipalities In South Africa</b>	The study was conducted in selected local municipalities in various provinces with a view of identifying challenges in skills transfer, best practices and approaches being used in capacity building. This was done using a qualitative research approach.	To develop a concept document on skills transfer in the workplace focusing on capacity-building programmes and monitoring of on-going transfer of skills; to understand a link between lack of skills transfer and service delivery; to understand the nature of learning environment in the municipalities; to develop a strategy that will inform the Local Government SETA on skills transfer.	Data was collected using questionnaires and interviews.	Twenty-eight municipal officials and two academics who are experts in local government capacity building, constitute focus groups for this study.	2016/17 (delivered 30 March 2017)	University of Venda (2017) for LGSETA
<b>Study to boost local economic development through marine resources</b>	A qualitative methodology was used for the collection of data.	The aim of this study was to demonstrate the severity of non-compliance in the recreational fishery. However, an initial aim was to ensure that the information that we collected from anglers, was in fact accurate.	Procedure for obtaining compliance rates is through the administration of surveys. During these surveys, anglers are requested to state whether or not they have been compliant with regulations, while researchers assure them of confidentiality.	The study covered the entire coastline from Port Nolloth on the West Coast of South Africa around the southern coastline and up to Kosi Bay on the East Coast.	2016/17 (delivered March 2017)	Rhodes University for LGSETA



Topic	Nature (Design) of the Study (Quantitative or Qualitative)	Objectives of the Study	Data Collection Tool	Sample Size and Scope of the Study	Time Frame of the Study	Prepared by
<b>Transport Planning in Municipalities in South Africa</b>	The project focused on the concept of transport planning and the educational requirements necessary to become a transport planner in South Africa and selected countries.	To investigate the ability of local government to carry out transport planning with a specific emphasis on the skills base to optimally undertake this critical function.	A draft questionnaire was prepared to guide the deliberations and solicit relevant information pertaining to transport planning and stakeholder consultation.	Literature review: a sample of municipalities was selected, together with Provincial Departments of Transport, the National Department of Transport, and other important stakeholders.	2016/17 (delivered 31 March 2017)	WITS School of Governance for LGSETA



# CHAPTER 1: **SECTOR PROFILE**

## 1.1 INTRODUCTION

The World Forum for Local Economic Development indicates that there is a growing consciousness that it is only through inclusive economic growth, we can provide a more just and liveable future for all (LED, 2015). Local government plays a critical role and is at the proverbial coalface of service delivery. Based on the premise that the level of skills of officials in local government impacts the effectiveness of the organisations to carry out their mandate, the skills and competence represent significant factors, which influence the quality of life of citizens and the prospect for economic growth.

This chapter serves as a foundation for the SSP because it defines the scope of coverage, which the key role-players are and the profile of the sector in terms of employers and employees. It also clarifies the concept of service delivery in the context of skills in local government, due to the economic impact of local government being measured mainly through its delivery of services.

## 1.2 SCOPE OF COVERAGE

The scope of coverage of all SETAs is defined by the primary focus of organisations demarcated, according to the Standard Industrial Classification (SIC). The LGSETA has a very clear scope of operation with a focus on municipal entities. Table 1-1 summarises this scope, based on the SIC code and a description of the primary activities thereof.

Table 1-1: Scope of Coverage for LGSETA

SIC Code	Scope of coverage / description
<b>30101</b>	Production, processing and preservation of meat products by Local Governments
<b>41110</b>	Production, collection and distribution of electricity
<b>41117</b>	Generation of electric energy by Local Governments
<b>50223</b>	Construction of pylons for electric transmission lines by Local Government
<b>50493</b>	Any utility or agency, wholly or partially owned by a municipality, providing local government services under contractors or municipality
<b>62520</b>	Retail trade via stalls and markets
<b>71213</b>	Urban, suburban and inter-urban bus and coach passenger lines operated by Local Government
<b>71220</b>	Other non-scheduled passenger land transport
<b>74132</b>	Salvaging of distressed vessels and cargoes
<b>74133</b>	Maintenance and operation of harbour works, pilotage, lighthouses, etc.
<b>74134</b>	Operation of airports, flying fields and air navigation facilities
<b>88217</b>	Roads
<b>88218</b>	Municipal public works functions (specifically assigned)
<b>88219</b>	Municipal fencing and fences
<b>8821A</b>	Municipal roads
<b>8821B</b>	Street lighting
<b>88930</b>	Building and industrial plant cleaning activities
<b>91200</b>	Regional services council activities
<b>91201</b>	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
<b>91202</b>	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
<b>91203</b>	Category C Municipalities: All functions, services and facilities provided by a district council and district area management, as determined by 84(1), (2) and (3) of Act 117 of 1998 Local Government Municipal Structures Act 1998
<b>91204</b>	Organised local government – any statutory or regulatory body assigned the function as per the Constitution of the RSA, to deal with matters at the executive level within local government

SIC Code	Scope of coverage / description
<b>91300</b>	Local government activities
<b>91303</b>	Air pollution
	Disaster management
<b>91304</b>	Municipal planning
<b>91305</b>	Trading regulations
<b>91306</b>	Billboards and the display of advertisements in public places
<b>91307</b>	Control of public nuisances
<b>91308</b>	Control of undertakings that sell liquor to the public
<b>91309</b>	Licensing of dogs
<b>9130A</b>	Licensing and control of undertakings that sell food to the public
<b>9130B</b>	Noise pollution
<b>9130C</b>	Street trading
<b>9130F</b>	Land use planning
<b>9200B</b>	Pre-primary education and activities of after-school centres by local authorities
<b>93304</b>	Social work in local governments
<b>94001</b>	Refuse and sanitation
<b>94002</b>	Health and community services
<b>94005</b>	Other community work in local governments
<b>96001</b>	Recreational, cultural and sporting activities by local governments
<b>96191</b>	Beaches and amusement facilities and fairs
<b>96192</b>	Pounds
<b>96193</b>	Public places
<b>96313</b>	Provision and operation of libraries of all kinds by local government
<b>96321</b>	Museum activities and preservation of historical sites and buildings by local governments
<b>96331</b>	Parks and gardens
<b>96332</b>	Zoos
<b>96414</b>	Local sports facilities
<b>96493</b>	Municipal parks
<b>99001</b>	Building regulations
<b>99031</b>	Cemeteries
<b>99032</b>	Facilities for the accommodation, care and burial of animals

### 1.3 KEY ROLE-PLAYERS

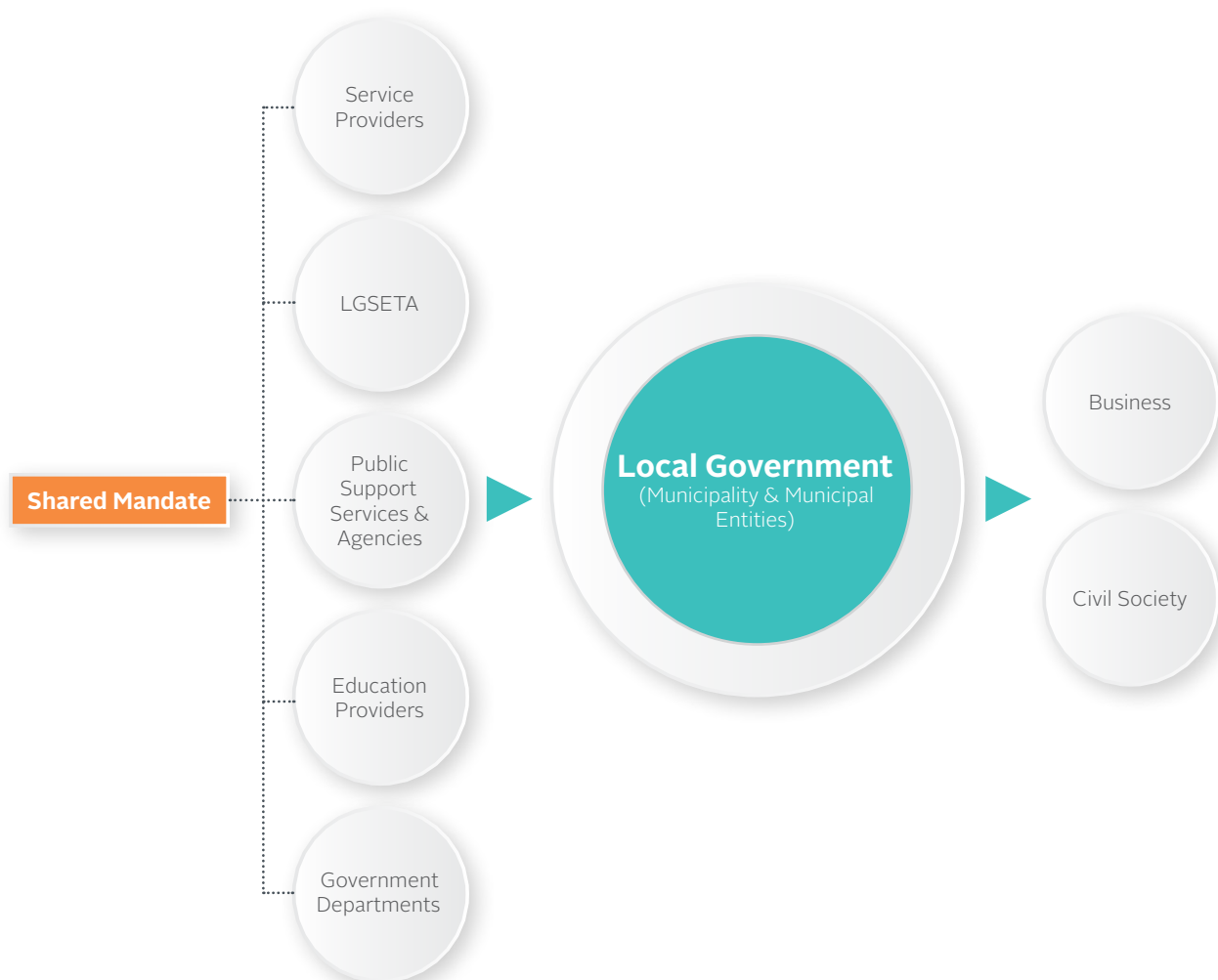
There are several key role-players who operate within the realm of local government. An effective stakeholder analysis is fundamental to a comprehensive understanding of the context in which the LGSETA is operating. An overly narrow definition of stakeholders may cause co-operative opportunities to be missed that could have resulted in the more effective operation of the LGSETA and the sector as a whole.

Therefore, to ensure all stakeholders are accounted for, several broad categories were identified into which specific role-players were allocated. This creates a framework that will advise the creation of future partnerships (chapter 4). Where a focus area is identified, and an intervention is planned, consultation with the stakeholder framework would identify potential mutually beneficial partnerships. The broad categories identified are:

1. Organisations directly involved in local government (in terms of the delivery of service);
2. Organisations with a shared mandate (vision/purpose) with the LGSETA;
3. Implementation partners (organisations required for the LGSETA mandate to be carried out); and
4. Beneficiaries of the services of local government, which include local communities, businesses and civil society.

Individual organisations can be in more than one of the above-mentioned categories. The typology is articulated to provide a framework to organise stakeholders, rather than being a strict classification. Figure 1-1 illustrates the variety of organisations that engage in and with the local government sector. As can be seen, there are many overlaps in mandate, vision, function, and area of operation. Since there is an overarching common goal to improve the quality of service to constituencies, the most optimal plans will be developed with co-operation in mind. It is also important to consider the stakeholders in terms of the LGSETA strategic areas of focus to maintain strategic focus.

Figure 1-1 Stakeholder Model



The **Local Government** sphere includes municipalities and municipal entities, and their workers, elected officials, traditional leaders, and their respective representative bodies. It has been noted in some sources (Alexander, 2015; NDP, 2012) that the success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions, and the calibre of staff working for the municipality. A key priority for the MTSF, for example, is to ensure an efficient, effective, and development-oriented public service (DPME 2014). These representatives are key to LGSETA's mandate of supporting the development of a skilled and capable workforce at local government level.

The LGSETA is not the only organisation working to support local government. There are several organisations that have a **shared mandate** with the SETA, where objectives and interventions are likely to align. This includes government departments such as Co-operative Governance and Traditional Affairs (CoGTA) and Department of Water Affairs (DWA), agencies such as South African Local Government Association (SALGA) and organised labour which includes South African Municipal Workers Union (SAMWU) and Independent Municipal and Allied Trade Union (IMATU).

The LGSETA is not able to (or expected to) carry out implementing its vision on its own. Frequently, **implementation partners** will be required. Important amongst these partners, are education and training providers. These include all schools, higher education institutions, training providers, plus other bodies responsible for education (including SAQA, QCTO, and NSA). Service Providers to the SETA and other stakeholders often hold key intellectual capital of value to the sector. Partnerships with these role-players should not be overlooked.

Finally, the **beneficiaries** of local government services are important stakeholders to consider. For the current exercise, they are classified in terms of 1) civil society and 2) local businesses. Civil society includes the local citizens, NGOs/NPOs, and CBOs. Section 152<sup>1</sup> of the Constitution, 1996, states one of the objectives of local government is to encourage the involvement of communities and community organisations in the matters of local government. Local businesses are key to developing the local economy and sustaining the citizens in an area. The NDP notes as a priority: "Raising employment through faster economic growth" (National Planning Committee, 2013). Therefore, municipalities should become competent development facilitators, building partnerships and networks with local communities and the private and non-governmental sector.

## 1.4 ECONOMIC PERFORMANCE

### MUNICIPAL REVENUE AND EXPENDITURE ANALYSIS

The Financial Census of Municipalities (StatsSA, 2017) showed that municipalities across South Africa received an income of R365 billion in 2015, which increased to R398 billion in 2016, an increase of 9%. Expenditure in the same years was R290 billion and R314 billion, a corresponding increase of 8%. The internally-collected revenue accounted for 55% of total income made up of electricity sales, property rates, other revenue (fines, licenses and permits, public contributions and donations), water sales, and sewerage and sanitation charges, and refuse removal charges. The remaining 45%<sup>1</sup> comprises grants and subsidies received from National Treasury, and deficit funding.

Revenue projections for local government, using an estimated 7% growth in revenue and expenditure, is reflected in Table 1-2 below. These estimates are based on an average growth, as observed over the last two financial years. According to the National Treasury's 2017 Budget Review, municipalities have to place stricter controls on expenditure management, and find innovative ways to address waste and inefficiencies (NT, 2017). The implications for skills vary by municipality. Opportunities for ensuring more effective revenue and expenditure management arise from ensuring that municipalities are staffed with appropriately skilled workers to minimise outsourcing of core services and waste, due to incompetence.

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<sup>1</sup> Includes grants and subsidies from national, provincial, local, government, other, special conditional grants, other income, deficit; p17



Table 1-2: Projected Municipal Revenue and Expenditure

'000	2015/16	Estimated 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
<b>Revenue</b>	R 365 451	R 398 216	R 426 091	R 455 918	R 487 832
<b>Expenditure</b>	R 290 677	R 314 964 7	R 337 012	R 360 603	R 385 845

Due to the significant funding received and dispersed by local government, the effective use of this funding is critical to the development of and wellbeing of local communities. The latest Consolidated Auditor-General Report for the 2015/16 financial year (AGSA, 2017) noted a decline in the number of “clean audits” (unqualified with no findings) in 2016 (49), compared to 2015 (54). At least 15% of municipalities improved on their previous year’s status. Although this is a positive development, there is still a lot of work to be done, as 77% of local government institutions have not achieved a clean audit. Financial management and accountability-related skills for Section 57 employees, remain an ongoing point of focus.

## DEFINING SERVICE DELIVERY FOR LOCAL GOVERNMENT

Other sectors in the economy that are predominantly in the private sector, have a direct link to the economy in that their contribution to GDP and international competitiveness can be quantified. This quantification also presents a useful metric to measure the long-term impact of education and training interventions implemented by SETAs and their partners. Based on the logic that education and training initiatives result in a more effectively performing sector, it yields improved economic performance and the effectiveness of the SETA programmes will be seen. Within local government, service delivery is a key indicator of its performance, and speaks to the values that it upholds in striving to be a SETA of excellence facilitating skills development.

The South African Cities Network (2013) stated the lack of technical, management, and leadership skills is one of the core challenges affecting the ability of local government to fulfil their service delivery mandate. This is a sentiment that is repeated in several government policies and plans, including the National Capacity Building Framework (revised 2014) and the Medium-Term Strategic Framework (2014). Therefore, an improvement in the competence of workers in the local government sector should result in increased/enhanced service delivery.

As mentioned in the Methodology section, this SSP Update Report forms part of a planning process. The areas highlighted in this plan will inform the Strategic and Annual Performance Plans and the accompanying Monitoring and Evaluation frameworks. For the plan to be optimally effective, it is important to establish, at the outset, a link between the skills development priorities and the intended impact on the sector, in this case, service delivery. Therefore, as part of the process to convert the SSP into implementation plans, a suitable conceptual framework with monitoring indicators quantifying this link, will be established. For the current exercise, the concept of service delivery, as the desired outcome, is clarified.

The scope of what constitutes service delivery for local government is articulated in several documents. Of particular importance is Section 152 of the Constitution, which states the objectives of local government are:

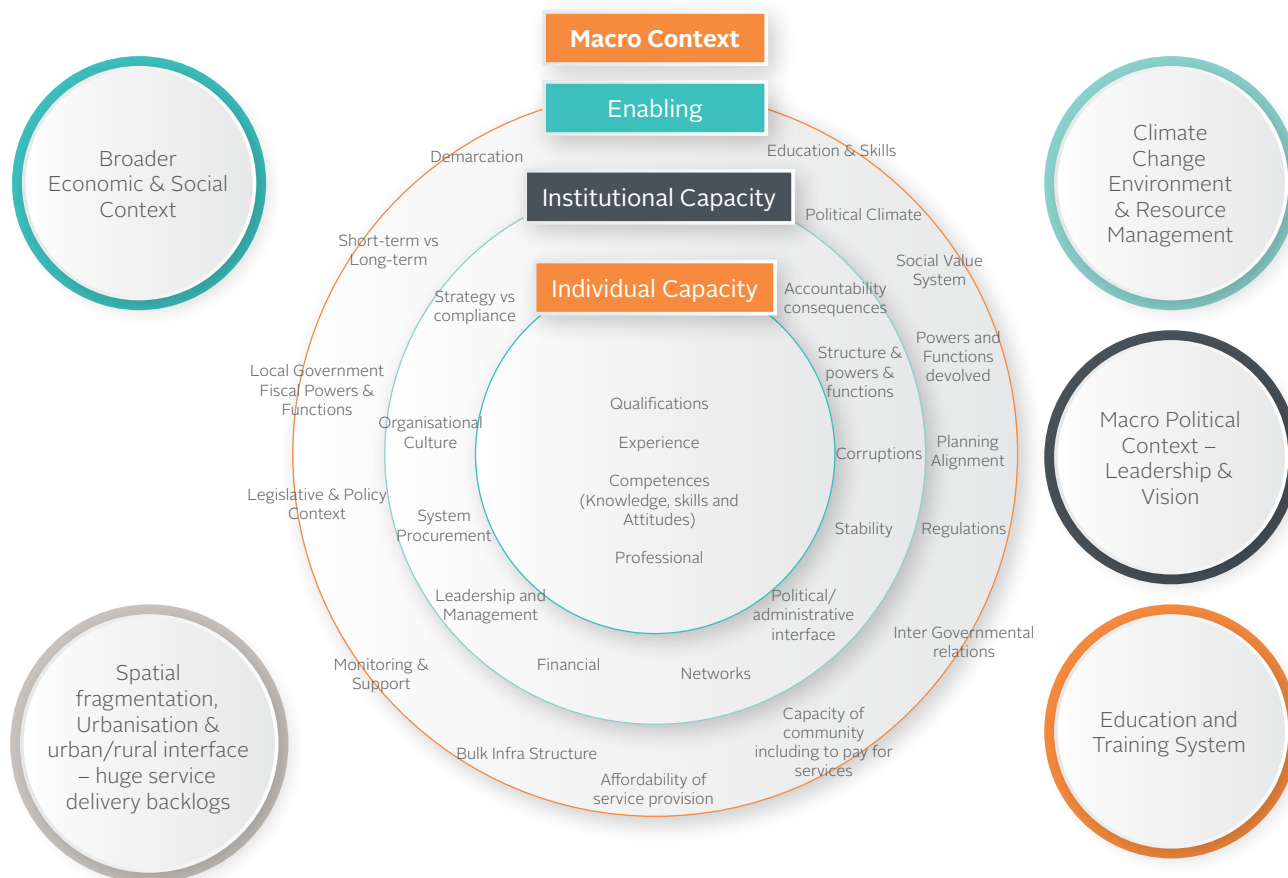
1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment; and
5. To encourage the involvement of communities and community organisations in the matters of local government.

### Capacity in Local Government

The United Nations Development Partnership (UNDP) defines capacity as a multi-dimensional construct with three distinct components, namely: individual capacity, institutional capacity, and environmental capacity. This is shown in Figure 1-2 (CoGTA, 2014) as concentric circles within a macro context. It is proposed that changes made at the centre

of the circles (individual capacity) radiate outwards, creating changes in the institutional capacity, creating an enabling environment, and ultimately, changing the macro contextual factors, such as “service delivery backlogs.”

Figure 1-2 Multi-Dimensional Concept of Capacity



Source: CoGTA (2014)

Therefore, while the LGSETA might not directly affect institutional capacity or the environment in which municipalities operate, changes to staff represent a key lever for social change and should remain the focal point of strategies, while still monitoring indicators at the institutional and environmental level.

## SERVICE DELIVERY ANALYSIS

The analysis included here is for perspective and context, and while there is overlap, does not represent the monitoring and evaluation (M&E) indicators discussed later in the report. M&E indicators are more closely aligned to specific interventions, where changes can be directly attributed to the interventions.

### Unemployment:

The unemployment rate in South Africa has increased to 26.7% in the three months to March of 2016 from 24.5% in the previous quarter and above market expectations of 25.3% (STATSSA, 2016a). It was the highest reading since September 2005. Municipalities contribute to employment directly and indirectly through its Local Economic Development (LED) strategies. Their ability to impact on unemployment levels locally, is greatly dependent on the local context. The capacity and skills of municipal officials to effect economic change in their areas, also varies widely across the country.

### Basic Services and Infrastructure:

According to Statistics SA, in their non-financial census of municipalities (StatsSA, 2017b), the number of consumer units receiving water services, grew from 12.5 million to 12.8 million between 2015 and 2016. The highest provincial increases for the provision of water were recorded in Mpumalanga (7.0%), followed by North West (4.6%), while the

lowest increase was recorded in Limpopo (0.6%). Delivery of electricity, also increased by 2.5% nationally. The highest provincial increases for the provision of electricity were recorded in Mpumalanga (4.6%) and KwaZulu-Natal (4.1%), while Western Cape recorded the lowest increase (0.8%). Delivery of solid waste management services (refuse removal) also expanded nationally; the highest provincial increase was recorded in Eastern Cape (11.8%) while Gauteng recorded the lowest increase at 0.3%. Finally, the highest provincial increases for the provision of sewerage and sanitation were recorded in the Eastern Cape (7.2%) and Limpopo (6.5%), whereas the lowest increase was shown in Gauteng (1.4%) and North West (1.2%).

There were 3.6 million indigent households in 2015<sup>2</sup>, as identified by municipalities (STATSSA, 2016b). Out of this, 2.4 million (67.8%) households benefited from the indigent support system for water, while 2.2 million (62.8%) benefited from free basic electricity provided by municipalities. The report also revealed that 2.1 million (58.7%) indigent households benefited from the support system for sewerage and sanitation, while 2.1 million (57.6%) households benefited from the indigent support system for solid waste management.

In terms of bucket toilet systems, the report shows there has been a decrease in the number of bucket toilets supplied by municipalities, from 85 718 in 2014, to 68 028 in 2016. Three provinces, namely Gauteng, Limpopo and KZN, recorded zero households using bucket toilets in 2016. Mpumalanga remained constant at 30 households. All the other provinces recorded marked decreases, the biggest decrease being 47% in North West. However, Free State reflected an increase (10%) over the same period (StatsSA, 2017).

### **Performance Reports:**

Performance reports released by the Auditor-General, are a critical indicator to measure changes in performance. In terms of the theory of change, the AG reports represent an interim outcome<sup>3</sup> between changes in the levels of skills and the desired changes in the above service delivery areas. According to the latest consolidated Auditor-General Report (2016) for the 2014/15 financial year, the quality of annual performance reports has improved, with the number of municipalities with “no material findings in this regard” having increased from 20% to 38% since 2010/11. The usefulness of the information in the report has improved (from 71%, with findings to 47%), but more than half are still struggling to report reliable information on service delivery (AGSA, 2016).

## **1.5 EMPLOYER PROFILE**

Following the Local Government elections that took place in South Africa on the 3rd of August 2016, certain municipalities have become disestablished, or merged with other municipalities and in some instances, new municipalities have been formed (SARS, 2017). According to the Local Government Handbook (2017), there were 257 municipalities in South Africa, of which eight were metropolitan municipalities, 205 were local municipalities, and 44 were district municipalities. Previously there were 226 local municipalities.

<sup>2</sup> No update of this figure in 2017 census

<sup>3</sup> In the theory of change, an interim outcome would be the outcomes of activities that occur as a result of activities, but do not represent the final impact. In this case, changes due to activities will result in more positive AG findings, which will, in turn, result in improved service delivery.

Table 1-3: Number of Municipalities by Province

Province	Metropolitan municipality	District municipality	Local Municipality	Total
Eastern Cape	2	6	31	39
Free State	1	4	18	23
Gauteng	3	2	6	11
KwaZulu-Natal	1	10	43	54
Limpopo	N/A	5	22	27
Mpumalanga	N/A	3	17	20
North West	N/A	4	18	22
Northern Cape	N/A	5	26	31
Western Cape	1	5	24	30
<b>Total</b>	8	44	205	257

Source: Local Government Handbook (2017)

The greatest proportion of employers in the sector is local municipalities. While there are a few metropolitan municipalities, they are the largest employers and contribute the most in terms of skills development. KwaZulu-Natal has the highest number of municipalities with 54, followed by the Eastern Cape with 39 municipalities. While Gauteng has the lowest number of municipalities overall (11), three of the eight metropolitans fall within the province, making the province a key employer.

In terms of WSP/ATR submissions, LGSETA has achieved a 100% submission rate for the second year in a row. Table 1-4 shows the response rate over the last five years.

Table 1-4: WSP/ATR submissions 2013 to 2017 by Municipal Type

	2013		2014		2015		2016		2017	
	Total	Submitted	Total	Submitted	Total	Submitted	Total	Submitted	Total	Submitted
Metro	8	8	8	8	8	8	8	8	8	8
Local	226	216	226	226	226	216	226	226	205	205
District	44	43	44	44	44	44	44	44	44	44
Total	278	267	278	278	278	268	278	278	257	257
Submissions		96%		100%		96%		100%		100%

Source: LGSETA WSP Submissions

## MUNICIPAL ENTITIES AND OTHER EMPLOYERS IN THE SECTOR

Some municipalities establish municipal entities to support service delivery, and such entities are accountable to the municipality that established them in terms of governance, financial accountability and performance. There has been a consolidation in the number of municipal entities, with the total number of organisations falling from 60 in 2011 to 50 by 2015. Gauteng has the highest number of entities associated with the three large metros in the province. Eastern Cape and KZN have nine and seven entities, respectively.

Table 1-5 Number of Non-Municipality WSP submissions 2017

Province	Municipal- owned entities	LG-related entities	Other private entities
Eastern Cape	1	0	0
Free State	1	0	0
Gauteng	2	4	7
KwaZulu-Natal	1	0	1
Limpopo	0	0	0
Mpumalanga	0	0	1
North West	0	2	0
Northern Cape	0	0	1
Western Cape	0	0	0
<b>Total</b>	<b>5</b>	<b>6</b>	<b>10</b>

Source: LGSETA WSP Submissions 2017

Table 1-5 presents the number of WSP submissions from municipal-owned entities, municipal-related entities and other private organisations who are paying levies to LGSETA. The response rate from municipal entities is very low, compared to that of municipalities, with only five out of the fifty organisations submitting WSP/ATRs in 2017.

## 1.6 LABOUR MARKET PROFILE

Statistics South Africa conducted a census of municipalities in 2015 (STATSSA, 2016). Given the 100% completion rate, it represents a reliable figure of total employment in the South African local government sector. The figures in Table 1-6 refers to employment in the 257 municipalities, excluding municipal entities.

According to Stats SA, municipalities employed 259 329 full-time workers in 2016. This is very similar to the figure reported in the 2017 WSP submissions, totalling 259 124 (LGSETA, 2017). With the inclusion of municipal entities (as additional constituents of LGSETA), total employment came to 267 140. This will be discussed further in chapter 3.

Table 1-6 Total Employment in the Local Government Sector by Province

Province	Full-time		Part-time		Vacant posts		Total	
	2015	2016	2015	2016	2015	2016	2015	2016
Eastern Cape	26 388	26 782	654	420	5 789	3 809	32 831	31 011
Free State	15 470	16 210	565	512	5 514	6 416	21 549	23 138
Gauteng	82 427	80 911	1 137	1 411	10 154	10 656	93 718	92 978
KwaZulu-Natal	43 627	43 521	5 084	3 326	4 954	10 132	53 665	56 979
Limpopo	13 797	13 752	343	248	3 220	1 908	17 360	15 908
Mpumalanga	14 294	14 465	476	662	2 097	1 789	16 867	16 916
North West	12 270	12 494	1 118	852	3 211	4 311	16 599	17 657
Northern Cape	7 337	7 798	461	313	1 475	1 150	9 273	9 261
Western Cape	41 793	43 396	1 599	1 948	4 969	4 925	48 361	50 269
<b>South Africa</b>	<b>257 403</b>	<b>259 329</b>	<b>11 437</b>	<b>9 692</b>	<b>41 383</b>	<b>45 096</b>	<b>310 223</b>	<b>314 117</b>

Source: STATSSA (2017b)

The eight Metropolitan Councils employ more people than the 205 local municipalities combined. The district municipalities are small in comparison with only 21 822 employees nationally. Even though Gauteng has the lowest number of municipalities, it has the greatest number of employees nationally, mostly concentrated in the three metros.

WSP submissions show Gauteng employed a total of 68 191 workers in 2017, down from 71 464<sup>4</sup> in the previous year. KwaZulu-Natal and Western Cape are the next biggest employers, with the Northern Cape employing the fewest people with a combined total of 8 735.

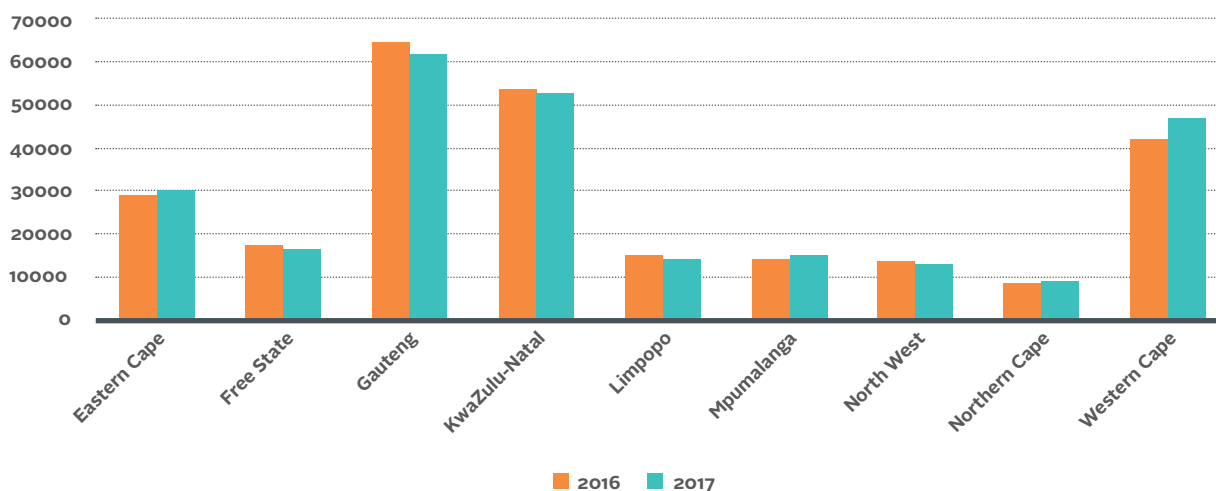
Table 1-7 Provincial Distribution of Employees by Municipality Type in 2017

Province	District	Local	Metropolitan	Other	Grand Total
Eastern Cape	5123	12695	11856	36	29710
Free State	554	11813	4182	351	16900
Gauteng	1118	8569	51969	6535	68191
KwaZulu-Natal	5828	20016	27304	180	53328
Limpopo	4361	10324	No Metro	0	14685
Mpumalanga	733	13663	No Metro	331	14727
North West	1482	11954	No Metro	505	13941
Northern Cape	615	8042	No Metro	78	8735
Western Cape	2008	16433	28482	0	46923
<b>Grand Total</b>	<b>21822</b>	<b>113509</b>	<b>123793</b>	<b>8016</b>	<b>267140</b>

Source: LGSETA WSP Submissions 2017

There was a marginal increase in employment of 0.1%. Western Cape experienced the highest rate of growth, of 10.6%; by contrast, Gauteng contracted by 4.7% year on year. The changes that occurred in each province are reflected in Figure 1-3 below.

Figure 1-3 Provincial Employment 2016 versus 2017



Source: LGSETA WSP Submissions 2016 & 2017

## RACE AND GENDER PROFILE OF EMPLOYEES

In terms of labour market profile, race and gender distribution is shown in Table 1-8. Just over three quarters of all employees are African, with African males making up 47% employees with a further 29% being African females. The next most represented racial group is Coloureds, representing 15% of total employment, largely due to the high proportion of Coloured males (42%) working in the Western Cape municipalities. Whites and Indians make up the balance of employment, with 7% and 3% of employment, respectively.

4 The figures from WSP submissions differ slightly from those of Stats SA due to differences in data collection methods



Table 1-8 Provincial Distribution of Employees by Race and Gender

	AFRICAN		COLOURED		INDIAN		WHITE		
	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
<b>Eastern Cape</b>	15 028	9 496	2 366	982	107	60	1 034	637	29 710
<b>Free State</b>	10 113	5 535	306	173	7	1	481	284	16 900
<b>Gauteng</b>	33 381	25 549	1 416	1 133	407	329	3 600	2 376	68 191
<b>KwaZulu-Natal</b>	26 563	17 573	729	580	4 212	1 969	1 065	637	53 328
<b>Limpopo</b>	8 603	5 730	20	15	8	8	178	123	14 685
<b>Mpumalanga</b>	8 787	5 273	54	91	16	33	272	201	14 727
<b>North West</b>	8 639	4 289	278	138	15	17	348	217	13 941
<b>Northern Cape</b>	2 986	1 400	2 647	1 320	11	6	206	159	8 735
<b>Western Cape</b>	8 811	5 269	18 747	8 952	135	85	3 068	1 856	46 923
<b>Grand Total</b>	122 911	80 114	26 563	13 384	4 918	2 508	10 252	6 490	267 140

Source: LGSETA WSP Submissions 2017

There is a substantially higher number of males employed in this sector than females, with 62% posts being held by males nationally. There is a similar distribution provincially, with Gauteng being slightly more equal, and Northern Cape having slightly more males employed (57% and 67% of posts being held by males, respectively).

Table 1-9 Race and Gender Profile per OFO Major Groups

Occupational group	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Managers	46%	30%	5%	3%	2%	1%	8%	4%
Professionals	31%	38%	7%	7%	2%	2%	7%	6%
Technicians and associate professionals	40%	30%	10%	6%	3%	1%	6%	4%
Clerical support workers	24%	45%	6%	13%	2%	3%	2%	7%
Service and sales workers	48%	28%	10%	4%	2%	1%	6%	2%
Skilled agricultural, forestry, fishery, craft and related trades workers	56%	11%	15%	1%	6%	0%	10%	0%
Plant and machine operators and assemblers	72%	8%	14%	0%	3%	0%	2%	0%
Elementary occupations	53%	29%	12%	3%	1%	0%	1%	0%
	<b>46%</b>	<b>30%</b>	<b>10%</b>	<b>5%</b>	<b>2%</b>	<b>1%</b>	<b>4%</b>	<b>2%</b>

Source: LGSETA WSP Submissions 2017

Table 1-9 indicates that in the local government sector, just over 75% (19 040) of managers are African, with 87% (21 908) being ACI. There is a similar structure to the professional occupations, with 70% (14 556) of professionals being African and 86% (18 448) ACI. Interestingly, while only 38% (9 564) of managers are female, women outnumber their male counterparts in the professional occupations.

The overall educational profile of the staff in local government is fairly low. Table 1-10 indicates only 53% (140 734) of employees have a matric or higher. Of concern is that nearly one-fifth (17.5% or 4 389) of managers have educational attainment below matric. A significant contributor to this challenge, is that rural municipalities have a very limited labour pool to draw from and the educational profile outside of main centres is generally lower. Table 1-10 also highlights the need for Adult Education, with 15.6% (41 617) of employees having NQF level 1 or lower. Although this figure has dropped from 19% in 2016, AET remains a strategic priority for LGSETA.

Table 1-10 Educational Profile by OFO major Group

OFO major group	> NQF1	NQF1	NQF2	NQF3	NQF4	NQF5	NQF6	NQF7	NQF8	NQF9	NQF10
Managers	5%	2%	3%	7%	20%	11%	17%	16%	7%	2%	0%
Professionals	0%	0%	0%	2%	8%	13%	36%	26%	4%	0%	0%
Technicians and associate professionals	1%	3%	4%	8%	26%	21%	23%	7%	1%	0%	0%
Clerical support workers	2%	3%	3%	7%	35%	20%	17%	4%	1%	0%	0%
Service and sales workers	1%	1%	3%	8%	36%	25%	9%	1%	0%	0%	0%
Skilled agricultural, forestry, fishery, craft and related trades workers	4%	4%	10%	13%	27%	24%	13%	2%	0%	0%	0%
Plant and machine operators and assemblers	3%	21%	16%	19%	25%	5%	1%	0%	0%	0%	0%
Elementary occupations	12%	21%	19%	20%	16%	3%	0%	0%	0%	0%	0%
<b>Grand Total</b>	<b>5%</b>	<b>10%</b>	<b>10%</b>	<b>12%</b>	<b>23%</b>	<b>12%</b>	<b>11%</b>	<b>5%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>

Source: LGSETA WSP Submissions 2017

## EMPLOYEES WITH DISABILITY

From the WSPs and ATRs submitted in 2017, municipalities employ about 1 886 People With Disabilities (PWD). Table 1-11 illustrates the proportion of PWD within each of the demographic groups. Western Cape employs roughly 35% on their own, the balance being spread between the other eight provinces. Just over 60% (1 149) of PWD employed in the sector, are male.

Table 1-11 Provincial Distribution of Employees with Disability by Race

	African		Coloured		Indian		White		TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	
<b>Eastern Cape</b>	0,2%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,4%
<b>Free State</b>	0,3%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,5%
<b>Gauteng</b>	0,1%	0,0%	0,0%	0,1%	0,1%	0,0%	0,0%	0,1%	0,4%
<b>KwaZulu-Natal</b>	0,2%	0,0%	0,0%	0,0%	0,2%	0,0%	0,1%	0,0%	0,6%
<b>Limpopo</b>	0,6%	0,0%	0,0%	0,0%	0,3%	0,0%	0,0%	0,0%	1,0%
<b>Mpumalanga</b>	0,5%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,7%
<b>North West</b>	0,3%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,5%
<b>Northern Cape</b>	0,1%	0,3%	0,0%	0,1%	0,0%	0,1%	0,0%	0,0%	0,7%
<b>Western Cape</b>	0,2%	0,5%	0,0%	0,2%	0,1%	0,3%	0,0%	0,1%	1,4%
<b>TOTAL</b>	<b>0,2%</b>	<b>0,1%</b>	<b>0,0%</b>	<b>0,1%</b>	<b>0,2%</b>	<b>0,1%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,7%</b>

Source: LGSETA WSP Submissions 2017

The average proportion of disabled employees nationally, is 0.7%. Western Cape reported the highest proportion of employees with a disability at 1.4%, but is still below the target of 2%. The other provinces, with the exception of Limpopo, reported less than 1% of workers having a disability.

## AGE PROFILE OF EMPLOYEES

The age profile of a workforce is important (see Table 1-12). There needs to be a spread between the three age categories. An over representation in the 55+ category, for example, could place the municipalities in danger in several years as a large cohort retires at the same time. Similarly, a very young workforce may impact negatively on service delivery, due to overall lack of experience.

The current profile, based on the 2017 WSP data, shows a fairly healthy spread across the age categories in all provinces. About 28% (74 318) of the workforce is aged below 35, while 12% (31 123) is above 55. Limpopo's age structure shows a very low proportion of youth in the workforce at 15% (2 308). In the long term, this could lead to an ageing workforce with an insufficient pipeline for continuity of service. Assessments into which occupations are affected, will provide greater insight into the skills planning implications (chapter 3).

*Table 1-12 Age Profile of Employees*

Eastern Cape	26.7%	62.2%	11.2%	34.6%	54.5%	10.9%	20.5%	62.1%	17.5%
Free State	25.7%	62.4%	11.9%	27.6%	60.6%	11.7%	18.4%	61.5%	20.1%
Gauteng	28.1%	60.4%	11.5%	22.5%	68.1%	9.5%	34.0%	54.3%	11.6%
KwaZulu-Natal	32.6%	56.5%	10.9%	28.6%	61.1%	10.3%	30.7%	57.8%	11.4%
Limpopo	17.5%	71.0%	11.5%	11.5%	74.5%	14.0%	No Metro		
Mpumalanga	24.6%	63.9%	11.5%	31.0%	60.4%	8.6%			
North West	28.2%	55.6%	16.3%	35.2%	60.5%	4.4%			
Northern Cape	27.1%	61.3%	11.7%	27.4%	65.5%	7.1%			
Western Cape	27.5%	62.1%	10.4%	25.9%	61.3%	12.8%	30.4%	57.8%	11.8%
<b>Grand Total</b>	<b>26.9%</b>	<b>61.3%</b>	<b>11.7%</b>	<b>26.5%</b>	<b>62.6%</b>	<b>10.9%</b>	<b>30.7%</b>	<b>56.9%</b>	<b>12.5%</b>

Source: LGSETA WSP Submissions 2017

## 1.7 CONCLUSION

The sector profile clarifies the scope and scale of the sector in terms of the number and location of organisations (employer profile), and the spread and composition of the workforce (employee profile). The sector is well transformed in terms of race, but further effort is required in terms of gender and people with disabilities. The education levels are relatively low with 15% of employees having a highest level of education lower or equal to NQF1. In addition, 17% of managers have less than a NQF 4 educational level. Given that few of the occupations in the sector are in the elementary category, raising the educational profile of the sector will go some way to addressing some of the challenges identified in the chapters that follow.

The data used in this section is primarily drawn from the WSP and ATR submissions. It is significant to note that, while the responsibility for the accuracy of the data cited remains with the providers of such data, the LGSETA will assist entities to improve the quality of WSP and ATR submissions. This is part of improving the quality and credibility of the SSP, through improving its systems for data collection and building the capacity of officials mandated to oversee the identification and implementation of skills development interventions for the sector.



## CHAPTER 2: **KEY SKILL ISSUES**

## 2.1 INTRODUCTION

Local government, as a sector, is relatively stable from an employment point of view. It is a constitutionally-mandated function of government, which is not greatly subjected to the vagaries of economic fluctuations. For that reason, the factors driving demand and supply of skilled workers, are based on different variables. The analysis that follows, identifies factors that reflect on how local government services are evolving over time, and how they influence the demand for skills within the sector. The analysis is structured in two ways – general change drivers in the sector, and specific national policies that have implications for skills development at local level. The analysis is based on a review of relevant policies, strategies, and research outputs from higher education institutions commissioned by the SETA.

## 2.2 CHANGE DRIVERS

Change drivers are factors affecting the sector and causing it to develop in a certain way. Given that local government is driven more by its legislated mandate, rather than a response to the dynamics of the market, some of the issues identified are not drivers of change, so much as they are responses to the demands of the mandate. Change would arise principally as a result of shifts in policy that may arise from time to time. However, in general, the sector is inherently stable over the long term.

### 1. MINIMUM COMPETENCY FOR MUNICIPAL OFFICIALS

One of the major factors affecting the skills demand and supply in the sector, is the minimum competency requirements for municipal officials as stipulated in the Municipal Finance Management Act (MFMA). In 2007, National Treasury gazetted regulations defining minimum competencies for senior officials in municipalities. The occupations specified in the Regulations are the accounting officers, chief financial officers, supply chain managers, and senior managers across all functions, and other financial officers in municipalities. (Government Gazette, 2007).

Minimum competency requirements are not drivers of change. However, they drive demand for ongoing development of municipal officials who are new entrants to local government, newly promoted, or continuous development due to changes in legislation. The challenges raised by the Auditor-General in successive years, relating to improper management, lack of institutional controls, and fruitless and wasteful expenditure, cut across all spheres of local government and point to why this remains a critical driver of demand.

### 2. INTEGRATED URBAN DEVELOPMENT

Statistics South Africa (2016) tracks the changes in municipal population over time. The capacity for municipalities, effectively and sustainably, to deliver basic services, is affected by changes in the demographic profile within respective municipal boundaries. As the population changes, there is a scaling (up or down) of services accordingly, which does not have significant impact on the skills requirements.

Changes in population distribution also have significant impact on development, land use and spatial planning requirements for municipalities. The Integrated Urban Development Framework identifies the following short-term priorities (2016 to 2019) for which 97 municipalities, identified as urban, are responsible:

- Management of urban sprawl, including upgrading transport infrastructure, and bringing services closer to communities to minimise the need for travel;
- Establishment of sustainable human settlements, such as upgrading informal settlements, inner-city revitalisation, and extending delivery of municipal services where they are inadequate or non-existent; and
- Job creation and inclusive growth by reducing the costs of doing business, creating enabling infrastructure, and strengthening partnerships with the private sector.

### 3. RURAL MUNICIPALITIES

According to the Local Government Budget and Expenditure Review (DPLG, 2011), rural areas have distinctly different labour markets. Of particular importance, is the fact that in rural areas, 83% of households live in tribal settlements, while only 7% live on farms and in small towns, respectively. Furthermore, the economically active population makes up 40% of residents in rural areas, versus 60% in urban areas. Finally, residents of rural areas are less likely to have schooling. Only 7% of rural population aged 20 and above, have a matric, versus 22% in urban areas.

The implication of these factors is the local labour market, from which municipalities draw their human resources, is limited to a greater degree in rural areas than in urban areas. There are skills needs unique to small rural municipalities, due to an uneven distribution of skills in the country. Attracting skills of the required quality is an ongoing challenge.

Rural municipalities also have ties with traditional authorities. Municipal officials in these areas need to have a sound understanding of the governance frameworks relating to traditional authorities, particularly in respect of land use and management.

In conclusion, rural municipalities are the most vulnerable to shortages, and yet have the fewest resources to attract skills. It is proposed that alternative funding arrangements be investigated to support the ability of rural municipalities to attract skilled workers in addition to other projects to make the sector more attractive.

### 4. TECHNOLOGY

Technology is a ubiquitous driver of change in almost every facet of the economy. In local government, the adoption of new technologies has been variable. The bigger metros have introduced new technologies in the delivery of municipal services in areas such as water and electricity metering. Other uses include electronic billing, notices of service interruptions, etc. Apart from customer interfaces, the role of technology in modern municipal infrastructure is likely to gain importance as ageing equipment gets upgraded and replaced. This is discussed further below.

One of the most important skills implications of the ever-increasing role of technology, is that the minimum skills requirements in many occupations are increasing. The use of technology in a function increases the minimum skills required to participate in that occupation. This poses an ongoing risk for the number of poorly educated unemployed, whose number of entry level occupations is decreasing.

### 5. TRANSITIONING TO A GREEN ECONOMY

The commitment by the South African Government to move towards a green economy and response to the issues of climate change over the next few decades, should not be taken lightly as it has significant impact on all sectors. The LGSETA commissioned a study on the current state of green skills in municipalities, with special focus on wastewater treatment facilities. The findings point to a lack of such skills in local government. The majority of municipalities do not have provision for green jobs or occupations, as they are still operating with traditional technologies. However, as most of the infrastructure is ageing and in need of overhaul, the introduction of new technologies is likely to lead to the need for different sets of skills.

Another area that relates to greening local government, is the ocean economy. South Africa manages an ocean space greater than the land territory. In the Marine Protection Services document, "Unlocking the Economic Potential of South Africa's Oceans" (2014), there were limited skills in ocean governance and limited job opportunities, and an accelerated capacity-building programme to ramp up the skills required for staffing the Secretariat, and empowering more officers in the governance space was needed. Good governance and protection services will benefit everyone and will become the foundation of a sustainable ocean economy.

The second noteworthy policy was the Renewable Energy White Paper of 2003. The Renewable Energy White Paper states that it derives its mandate from the Constitution. As part of South Africa's reintegration into the global economy, it



was recognised that a definitive policy on renewable energy had to be fully developed and articulated. This has long-term skills implications, because they are emerging as a field; thus, the distribution to municipalities nationally will be uneven and scarcity will be experienced.

## 2.3 ALIGNMENT WITH NATIONAL STRATEGIES

There are several factors that influence the strategic focus areas of the LGSETA. The first is its mandate, as derived from legislature and policy. Second, the field of operation includes the mandate and the strategies and policies of the local government sector. Finally, there is the overarching government priority in which there is a role for local government.

### 2.3.1 LOCAL GOVERNMENT MANDATE

Section 152 (2) of the South African Constitution states local government must strive, within its financial and administrative capacity, to achieve the objectives set out, which are mentioned in chapter 1.4.1. Schedule 4B, on the other hand, sets out the function of local government in more detail. This wide range of responsibilities places a high burden on municipalities in terms of skills and competencies. If the service delivery impact, as described in Section 1.4, is to be realised, the sector will need assistance from its key partners. Therefore, these functions, as enshrined in the Constitution, must be held as a validation of skills plans to ensure suitable coverage is maintained.

### 2.3.2 ALIGNMENT WITH NATIONAL STRATEGIES AND PLANS

There are many documents that can inform the LGSETA's strategic direction. Alignment with some (such as the NSDS III) are mandated, whilst alignment with others are strategic. Table 2-1 provides a list of the documents. Given the number of guiding documents, it is possible to lose focus in developing plans that are too broad and strategies that are not achievable.

*Table 2-1 Legislative, Policy and Strategic Documents informing LGSETA Strategic Focus*

National strategies / policies impacting on the ETD sector	Implications for skills development in the LG sector
Medium-Term Strategic Framework (2014 to 2019)	Out of the 12 outcomes MTSF, local government can and should play a role in all of them, but in particular, outcome 4 (through LED), 6, 7, 8 and 10, with outcome 9 specifically referring to local government.
The New Growth Path (NGP): Framework	Government adopted the New Growth Path (NGP) as the framework for economic policy and the driver of the country's jobs strategy. There are several areas of relevance to local government, particularly, the green economy and facilitating effective spatial development. Furthermore, the National Skills Accord identifies eight commitments in relation to training and skills development that must be implemented by the constituencies to achieve the New Growth Path
Human Resource Development Strategy 2010 to 2030	The implications of the HRDS speak to Government's economic policies, requiring human resource development on a massive scale, in particular, ensuring the public sector can meet the strategic priorities of the South African Developmental State and building opportunities for young people.
National Development Plan	A main focus area of the NDP is to build a "capable state." Eight areas have been identified to achieve this. Local government has a role to play in the majority of these focus areas, but there are two that stand out. Focus area 2 (Make the public service and local government administration careers of choice) is important, as raised by the findings in the SSP analysis, and the professionalisation of local government, is expounded in focus area 7.

National strategies / policies impacting on the ETD sector	Implications for skills development in the LG sector
Local Government Turnaround Strategy (LGTAS)	The LGTAS identified key areas of concern that included: leadership, financial management, economic development, and spatial development. There is a need to focus on the skills relating to these functions on an ongoing basis.
White Paper for Post-School Education and Training (2013)	The implication for the LG sector is to ensure a stronger and more co-operative relationship between education and training institutions and the workplace, and facilitating a post-school education and training system that responds to the needs of individual citizens and employers.
Youth Employment Accord	The Youth Employment Accord has six commitments to develop youth absorption programmes. The Local Government SETA has and continues to support Government's drive to empower youth by facilitating access to skills development opportunities and programmes that include learnerships, internships, workplace learning and bursaries.
Integrated Urban Development Framework: Implementation Plan	The implication of this discussion paper is for the sector to identify policy priorities and interventions to ensure all levels of Government and all components of the state contribute to the progressive integration of urban development investments to realise the urban dividend, and to provide a national framework for municipalities to manage continuing urbanisation more efficiently and equitable. Municipalities are identified as lead agencies in areas relating to transportation, housing, urban renewal and local economic development.

## 2.4 LGSETA STRATEGIC FOCUS

Local government, as a constitutionally-mandated function of government, is driven by policy and legislative imperatives. To that extent, demand and supply of skills is governed less by change drivers, and more by its functional mandate. The mandate of local government is encapsulated in the Key Performance Areas as defined by the MFMA. Broadly, the KPAs relate to good governance and institutional development; municipal planning; financial management; infrastructure development and basic services; and traditional leadership and development. These, in turn, were used to identify the Strategic Focus Areas, which are used to frame much of the analysis in this document (see Table 2-2- below).

Table 2-2 LGSETA Strategic Focus Areas

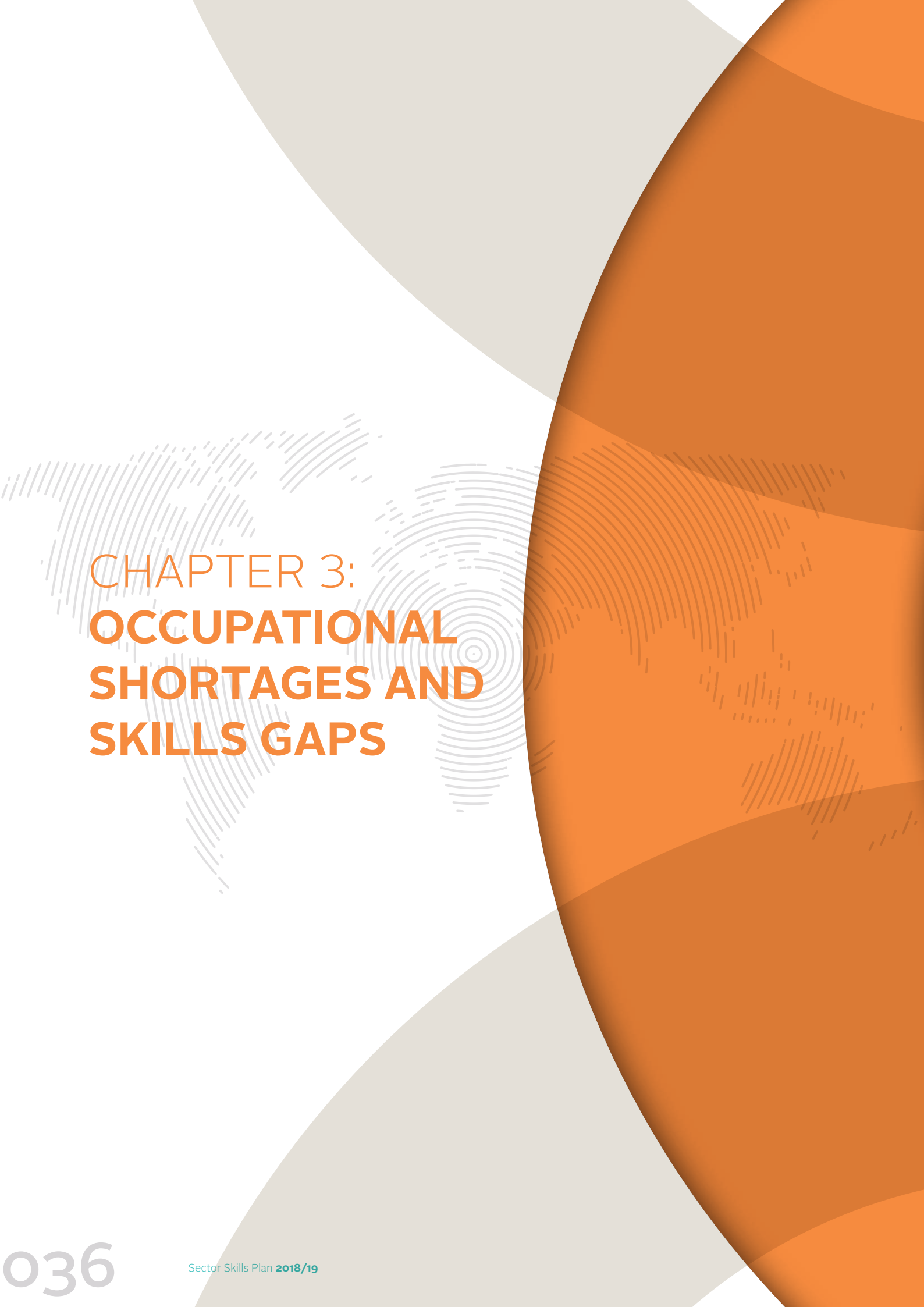
Primary Focus Area	Sub-Focus Area	Board priorities
1. Good governance and institutional development	Management and leadership	Councillor Development Programme: Phase 1: Induction and Phase 2 Development Programme
	Building capacity of workplace training systems	Union leadership for IMATU and SAMWU, including RPL
		Management training specifically focusing on technical services and municipal officers
2. Traditional leadership and development	N/A	Traditional Leader's Development Programme: Phase 1: Capacitation and Phase 2 Constitutional Review
3. Financial management	N/A	Management training, specifically focusing on finance

Primary Focus Area	Sub-Focus Area	Board priorities
4. Infrastructure development and basic services	N/A	
5. Municipal planning	Local economic development	The LGSETA Board has identified the following strategic focus areas which include focusing on rural and township economy, merged municipalities, special projects, SMME, ICT, Marine Industry, and Environmental Practise.
	Social planning	
	IDP & community participation	
	Spatial planning	

## 2.5 CONCLUSION

As noted, the primary driver is policy and legislation. As such, many of the change drivers will not have an impact on skills until there is a policy in line with the functional area of the driver. For example, Clean Energy has skills implications for local government, but until the policy environment defines the mandate of local government accordingly, the skills changes will remain theoretical.

Specific skills needs that may arise from these policy positions, may include urban and regional planners, civil and electrical engineers, building inspectors, and local economic development officers. In addition, existing members of the workforce may need skills upgrading to align their competencies with changes in technology and the green economy to which the government aspires.



## CHAPTER 3: **OCCUPATIONAL SHORTAGES AND SKILLS GAPS**

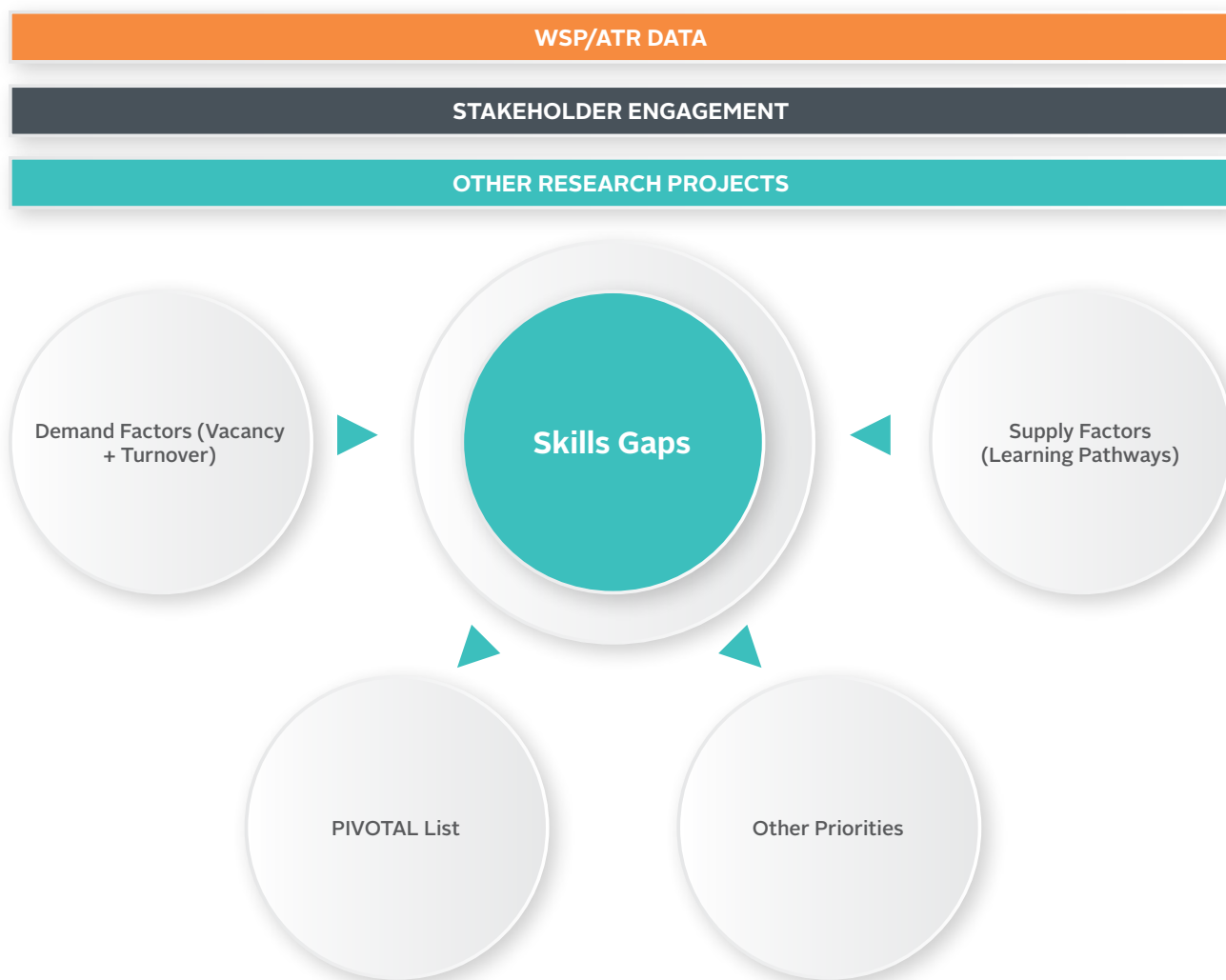
### 3.1 INTRODUCTION

For skills planning to be effectively implemented, labour market information must be analysed at a detailed occupational level. This will better facilitate the transfer into an operational plan, as interventions can be identified, based on the need at occupational level, whether it be a skills gap (critical skills) or a skills shortage (scarce skills).

The process followed to identify the skills gaps and occupational shortages, is shown in Figure 3-1. The first step was to assess the extent of demand for skills per occupation, with particular attention placed on Priority Occupations for local government. This is then followed by a similar assessment on the extent of the supply of skills. The basis for both assessments drew primarily from the WSP data, but was validated by other research, where possible, and through the stakeholder engagements.

The combined analysis flagged occupations identified as being scarce requiring/having skills gaps, critical skills, or both. This leads to the occupations being included as a priority and/or included on the PIVOTAL list.

Figure 3-1: Key processes/steps to identify Occupational Shortages and Skills Gaps



Ideally, the analysis to identify occupational skills gaps, would be a detailed assessment of both supply and demand side indicators. In addition to indicators of current shortage, such as Hard to Fill Vacancies (HTFV), flags on changes of the flow of skills into the specific occupational learning pathways would be able to provide earlier warning signals of shortage. This would, in turn, allow for earlier interventions, thus reducing the impact of skills gaps and shortages on the operations of local government.

An analysis of the WSP data revealed a total of 665 occupations represented in the sector. A detailed assessment per occupation at this scale is not feasible. Therefore, a methodology was applied to reduce the number of occupations for which this detailed analysis was conducted. The ideal lens to understand the relationship between occupational priorities and strategic priorities is to see it in relation to the LGSETA Strategic Focus Areas discussed in chapter 2 since they derived from the Municipal Key Performance Areas. This means that there is a direct logical flow from key operational areas of municipalities to the Priority List of Occupations being analysed. The two main criteria used in the selection of priority occupations, are:

- Size of the occupation: If an occupation has very few incumbents across the entire sector, detailed skills planning at sector level is not feasible or necessary.
- Strategic significance: This refers to the impact of the occupation on the sector. In other words, if there were a shortage in this occupation, would it have a potential impact on service delivery?

The current Priority Occupations List represents the first version and the intention is for it to be regularly reviewed and improved to include the most relevant occupations for the sector. It is also important to note that occupations not on the Priority Occupations List are not entirely excluded, but are rather subjected to a less rigorous assessment with flags on key demand side indicators.

*Figure 3-2 Selection of Priority Occupations based on Strategic Focus Areas*



The Priority Occupations presented under each of the Strategic Focus Areas are discussed below:

### **Strategic Focus Area 1: Good Governance and Institutional Development**

The two sub focus areas are Management and Leadership and Building capacity of workplace training systems. The occupations key to achieving this are:

- Local or Provincial Government Legislator (2015-11101). This occupation represents the elected officials in the municipalities including ward councillors and mayors. The occupation is supplemented by 2015-11104 and 2015-11105, which were captured in the WSP as PR Councillors and Members of the Mayoral Committee respectively.

Since they are elected, the occupations can never have a shortage (scarce skill) and as such will not appear on the PIVOTAL list, but it is important to develop capacity in these occupations. Therefore, skills gaps (critical skills) become the focus. Management of the municipalities are covered by four occupations, namely: Municipal Manager (2015-111201), General Manager Local Authority (2015-111203), Corporate Services Manager (2015-121902) and Office Manager. The DPME (2015) have identified that management practices are key to improving performance, productivity and service delivery and, as such, these occupations should remain a key focus.

- Building capacity within workplace training systems is driven by the Skills Development Facilitator (2015-242302), the HRD Manager (2015-121202) and Training Officers (2015-242401). The analysis by the University of Stellenbosch (2017) found that the success of training interventions moves beyond the role of these occupations, but they are nevertheless core to the function and thus remain a focus.

### **Strategic Focus Area 2: Traditional Leadership and Development**

- While there is only 1 OFO code for Traditional Leaders (2015-111301), the WSP differentiated between Traditional Leaders and Traditional Leaders that are paid by the Provincial Department (captured as 2015-111302). Note: this is not an official distinction in the 2015 version of the OFO.

### **Strategic Focus Area 3: Financial Management**

Technically speaking, financial management should fall under governance. However, the importance of improving financial governance in local government is noted in many key strategic documents such as the National Development Plan (NPC 2011). The financial management reform, which was started in 2003 with the enactment of the MFMA, continued with the enforcement of the minimum competencies in 2007 (LGSETA 2017). The key areas of operation relate to Finance and Supply Chain Management and the priority occupations in this area are:

- Finance: Finance Managers (2015-121101), Credit Manager (2015-121103), Internal Audit Manager (2015-121104) and Auditor (2015-242211).
- Supply Chain: Supply Chain Manager (2015-132401) and Supply Chain Practitioner (2015-333905)

### **Strategic Focus Area 4: Infrastructure Development and Basic Services**

Infrastructure Development and Basic Services includes many of the hard skills related to providing the core services of the municipality. The priority occupations in this area are divided into Project Management, Water, Electrical, Built Environment and Emergency Services.

- Programme or Project Management (2015-121905) skills are critical to the implementation, especially in the context of infrastructure related projects.
- Water-related priority occupations include: Water Production and Supply Manager (2015-134918), Water Plant Operator (2015-313201), Water Process Controller (2015-313203) and Plumbers (2015-642601).
- Priority electrical occupations include: Electrical Engineer (2015-215101), Electrical Engineering Technician (2015-311301), Electrical Foreman (2015-312103) and Electrician (2015-671101).
- The priority occupations in the built environment include: Civil Engineer (2015-214201), Civil Engineering Technologist (2015-214202), Civil Engineering Technician (2015-311201) and Building Site Inspector (2015-335913).
- The safety and emergency service priority occupations include: Disaster Management Coordinator/Officer (2015-2015-399999)<sup>1</sup>, Traffic Officer (2015-541201), Fire Fighter (2015-541101) and Emergency Service and Rescue Official (2015-541902).

<sup>1</sup> This OFO code does not exist in the current structure and the code has been created for the WSP.

## Strategic Focus Area 5: Municipal Planning

This focus area includes many of the strategic areas of the municipalities' mandate. It covers Local Economic Development, Social Planning, IDP and Community Participation and Spatial Planning. Developing competencies in these areas are likely to have a significant knock-on effect regarding service delivery. Priority occupations include:

- Cross cutting: Policy and Planning Manager (2015-121301).
- Local Economic Development: Local Economic Development Officer / Co-ordinator (2015-2421), Economist / Economic Advisor (2015-263101).
- Social Planning: Social Services Manager (2015-134401).
- IDP and Community Participation: Community Development Worker (2015-341201).
- Spatial Planning: Geographic Information Systems Specialist / Technician (2015-351302), Urban and Regional Planner (2015-216401), Town Planning Technician (2015-311203).

The demand for skills in each of these occupations is expressed as the current number of posts.

## 3.2 OCCUPATIONAL SHORTAGES AND SKILLS GAPS

### 3.2.1 OCCUPATIONAL SHORTAGES (SCARCE SKILLS)

Two indicators for the demand side shortages are used in the analysis. They are:

1. Hard to Fill Vacancies. The recruitment process represents the interface between the supply and demand for skills. Therefore, when a vacancy proves difficult to fill, it is often associated with a mismatch in the labour market.
2. Turnover: Employers reported on workers leaving the employment of the municipal sector as part of the WSP submission. These exits are classified as resignations, retirements, and other non-voluntary terminations, including death, dismissal, and medical boarding. This turnover was calculated per occupation and where the rate of turnover is significantly higher than the sector average, it is likely that a state of excess demand exists.

#### Hard to Fill Vacancies

Based on the submissions in the 2017 WSP, municipalities (and municipal entities) identified 5 997 hard to fill vacancies. This is down from the 9 870 posts reported in the previous year. It should be noted that this is not an exhaustive list of vacancies, but includes a list of those identified by stakeholders as being problematic. Table 1-6 showed that StatsSA reported the total number of vacancies to be 45 096 in 2016. That means that, based on the current assessment that underpins the WSP submission, roughly 13% of all vacancies are considered hard to fill.

A key element of the vacancy analysis is to examine the reasons advanced by stakeholders who completed the 2017 WSPs why a vacancy was identified as scarce. These reasons fall either within the absolute or relative scarcity categories, shown in Table 3-1 and detailed below.

Table 3-1 All Hard to Fill Vacancies by Reason for Reported Scarcity

Reason for scarcity	Reported scarce (hard to fill) vacancies
Absolute scarce skill - a "new or emerging occupation" where there are few people in South Africa with the requisite skills	325
Absolute scarce skill - there are no people enrolled or engaged in the process of acquiring skills that need to be replaced	158
Relative scarce skill - cannot attract suitably qualified candidate to area	831
Relative scarce skill - few, if any, candidates with the requisite skills from specific groups (employment equity)	509
Relative scarce skill - lack of funding for post	731
Relative scarce skill - recruitment process slow	3070
Relative scarce skill - sector attractiveness	174
Relative scarce skill - training lead time	190
Grand Total	5997

Source: LGSETA WSP Submissions 2017



### **Absolute Scarce Skills:**

1. Absolute scarcity is a “new or emerging occupation” where there are few people in South Africa with the requisite skills (325 posts).
2. Absolute scarcity also refers to a situation in which there are no people enrolled or engaged in the process of acquiring skills that need to be replaced (158 posts).

These two reasons reflect an assessment of the labour market, where employers feel there are not enough people available to meet demand and/or education institutions are not producing enough graduates to meet the needs of the sector. This is most problematic to employers, as the remedial action requires several years to turn around the equation. Fortunately, based on the 2017 WSP data, this accounts for only 8% of reported scarce skills. However, this may be slightly under-reported. It is possible that some of the reported vacancies as “the recruitment process slow”, is due to an absolute shortage of skills, rather than merely a function of recruitment red tape.

### **Relative Scarce Skills:**

The difference between absolute and relative scarcity is that relative scarcity implies there may be sufficient quantities of skills in the labour market, but scarcity exists in a certain environment because of localised factors.

1. Relative scarcity in not attracting a suitable candidate to an area (831 posts): Under the drivers of change, the dynamic of geographically dispersed employers was discussed. Smaller municipalities in remote areas have a smaller labour market to draw on. Therefore, there are likely to be local scarcities, especially in highly specialised areas. Furthermore, where a more general shortage is experienced, it will be felt most severely in the rural and/or remote areas.
2. Relative scarcity in not finding a suitable person from a specific demographic group (employment equity – 509 posts): Similar to point 1 above, there may be sufficient skills, but not in target population groups for Employment Equity purposes.
3. Relative scarce skill – Lack of funding for post (731 posts): Where posts were not funded, they were excluded from the analysis. While they represent potential demand, the posts are not demanding any skills.
4. Relative scarce skill – Sector attractiveness (174 posts): Does not necessarily represent a skills gap, even though such scenarios present themselves with recruitment difficulties. Instead, it can be classified as unmet demand. In other words, the reported scarcity is not a function of the labour market, but rather there is enough demand, just barriers stopping the supply from meeting demand. During stakeholder engagements, several factors were raised that contribute towards sector attractiveness as a driver of scarcity. First is the financial competitiveness of the local government sector versus the private sector. Stakeholders agreed that the skills are available, therefore there is no shortage, but the municipalities struggle to secure them. The second factor relates to working conditions. A key occupation noted in this context was Internal Auditors.
5. Relative scarce skill – Recruitment process slow (3070 posts): This is, by far, the biggest driver of reported scarcity. Of the vacancies in this analysis, 51% are cited to be due to a slow recruitment process.
6. Relative scarcity due to a long training lead-time (190 posts): While classified as relative scarcity, this is functionally the same as absolute, in the sense that the supply of skills is not matching demand. Based on the current WSP dataset, relative scarcity due to a long training lead-time, represents 3% of reported scarce skills.

### **Turnover Analysis**

As a whole, turnover in the local government sector is low. International benchmarks in the private sector peg average turnover rates between 10% and 15% (Compensation Force 2015), depending on the sector. Turnover rates in utilities and public service are lower. However, the reported turnover in South Africa is low, even by these standards:

- A total of 3 799 resignations were recorded in the period under review. Given that employment was reported at 267 140 people, this represents a mere 1.4%.
- When one adds all other exits from the sector into the analysis (including retirement, death, dismissal, and retrenchment), the figure increases to 9 400 exiting the sector. This translates to 3.5% of all employment.
- A further 8 414 employees’ contracts ended and were not renewed. This is not classified as turnover for the sake of the current exercise as it is not a reflection on labour market dynamics.

Turnover can be a signal of scarcity, especially when one considers the rate of resignations. Since resignations are voluntary, a higher than average rate suggests excess demand, which makes the existing staff more mobile.

The proportion of employees older than 55 years of age, was also included as a risk indicator for future skills shortages. If there is a large percentage of workers in this age category, there will be a significant cohort of experienced skills leaving the sector in the next 5 to 10 years. If this is not met by a requisite inflow of skills, a shortage will occur (or be exacerbated).

The priority occupations are examined according to the scarcity indicators (Turnover, Hard to Fill Vacancies and the risk of Replacement Demand due to Retirement). Thresholds were put in place to filter the data and the flagged occupations are shown in Table 3-2. The full list of all Priority Occupations is included as Appendix A.

*Table 3-2 Turnover, Hard to Fill Vacancies and Risk of Replacement Demand Due to Retirements for flagged Priority Occupations*

OFO code	Occupation (common job title)	Number of posts	Turnover		HTFV		Retire
			Resign	All	Absolute	Relative	>55
<b>2015-111203</b>	General Manager Local Authority	292	<b>8%</b>	<b>11%</b>	0,0%	1,0%	<b>22%</b>
<b>2015-242211</b>	Internal Auditor	657	3%	4%	<b>7,5%</b>	4,0%	5%
<b>2015-134918</b>	Water production and Supply Manager	52	<b>10%</b>	<b>15%</b>	3,8%	3,8%	15%
<b>2015-313201</b>	Water Plant Operator1	3789	1%	2%	0,0%	2,2%	15%
<b>2015-313203</b>	Water Process Controller	348	0%	0%	0,0%	<b>14,1%</b>	14%
<b>2015-311301</b>	Electrical Engineering Technician	1007	1%	2%	0,5%	<b>17,6%</b>	11%
<b>2015-241101</b>	Civil Engineer	802	2%	2%	0%	<b>13,3%</b>	9%
<b>2015-214202</b>	Civil Engineering Technologist	486	1%	2%	0,0%	<b>18,9%</b>	13%
<b>2015-263101</b>	Economic Advisor	57	<b>7%</b>	<b>12%</b>	<b>112,3%</b>	7,0%	9%

Source: LGSETA WSP Submissions 2017

Nine occupations out of the priority list were flagged as having a skills shortage (scarce skill), namely:

1. General Manager Local Authority was flagged, based on a high turnover, which is traditionally indicative of excess demand. Furthermore, more than 1 in 5 incumbents are over the age of 55, which presents a risk of replacement demand due to retirement if there are not sufficient succession plans in place.
2. Internal Auditor was flagged for both diminishing supply and a high proportion of hard to fill vacancies.
3. Water Production and Supply Managers were flagged, based on a high level of turnover. While not flagged for HTFV, there is a higher than normal proportion reported (3.8%).
4. Water Process Controller, Electrical Engineering Technician, Civil Engineer and Civil Engineering Technologists were all flagged based on a very high proportion of relative HTFV.
5. Economic Advisors is a small occupation in the context of the sector, but there is a significant shortage in the area. Employers reported more hard-to-fill vacancies than the total occupational employment in the sector. This shortage is evident in a high level of movement.

Table 3-3 shows occupations not on the priority list that were also flagged and warranted further investigation through the stakeholder engagements. They are Business Training Managers (based on a high turnover), Engineering Managers (high proportion of HTFVs in addition to the high turnover). Property Valuers reported that 1 in 5 posts struggled with relative scarcity, whereas ICT Communications Assistant reported just over 7% of posts having an absolute shortage.

Finally, there is an aging workforce in two occupations (Driller and Boiler or Engine Operator). Closing the skills gaps from a training point of view is not likely to take an extensive amount of time, but there is a risk of losing institutional knowledge if a large cohort retires in a short space of time.

The most significant shortage raised in Table 3-3 is the Health and Safety Manager. This person is responsible for managing work environments to prevent illness and injury. It is a professional occupation governed by the Southern African Institute for Occupational Hygiene (SAIOH). While the number of posts are small relative to the size of the sector, there are significant indicators for absolute shortage. Furthermore, the workforce is aging which suggests that there is insufficient flow of skills into the occupation. An intervention is required in order to address the current shortage as well as to prevent further shortages in the future.

*Table 3-3 Turnover, Hard to Fill Vacancies and Risk of Replacement Demand Due to Retirements for flagged Non-Priority Occupations*

OFO code	Occupation (common job title)	Number of posts	Turnover		HTFV		Retire
			Resign	All	Absolute	Relative	>55
2015-121202	Business Training Manager	112	8%	13%	0,0%	0,0%	14%
2015-132104	Engineering Manager	107	13%	18%	8,4%	3,7%	13%
2015-121206	Health and Safety Manager	71	59%	30%	0%	1%	23%
2015-331501	Property Valuer	254	1%	2%	0,0%	20,1%	16%
2015-351201	ICT Communications Assistant	164	2%	4%	7,3%	0,6%	7%
2015-711301	Driller	127	1%	1%	0,0%	0,0%	46%
2015-718201	Boiler or Engine Operator	112	0%	4%	0,0%	4,5%	28%

Source: LGSETA WSP Submissions 2017

Finally, Marine Engineer or Marine Resource Officer is an emerging occupation that was included on the 2016 LGSETA PIVOTAL list<sup>2</sup>. It is an example of an occupation that will be required for coastal municipalities to leverage the developmental elements of the ocean economy. It has been removed from this year's PIVOTAL list, but remains on the radar as an emerging occupation and one that requires development to support future LED initiatives.

## Stakeholder Engagements

The results of the quantitative analysis described above was validated through a series of stakeholder engagements. Each province was visited and stakeholders (primarily Skills Development Facilitators from municipalities) were given the opportunity to provide input on the flagged occupations as well as raise their own concerns. There were clear differences between provinces with local dynamics driving scarcity to some degree. However, there were common elements that cut across all provinces and thus have an impact on the national list of priorities. They are:

- Artisans. Plumbers and Electricians were raised almost unanimously as a scarce skill. The main reason why it was not flagged in the data, is the fact that there are people in posts doing the work, but are not qualified. Formal qualification process is difficult and as a result, scarcity remains.
- Finance Manager. While retention is an issue and many municipalities struggle to recruit, the core focus in this occupation is the minimum competency requirements as per the MFMA. Therefore, the primary need remains a critical skill in terms of the minimum competency certification.
- Internal Auditors are not scarce. The difficulties associated with the occupation, are more due to working conditions, rather than labour market dynamics.
- Property valuer is usually either a shared service or an outsourced function. Stakeholders agreed that the need did not warrant it being on the primary scarce skills or PIVOTAL list.

<sup>2</sup> Included as Marine Engineer

### Non-Skills Related Issues

An interesting finding from the stakeholder engagements, relates to difficulties in key areas that are not related to skills and/or training. Most significantly, there were often needs expressed that were a result of structural issues in the organisation, rather than skills or labour market issues. For example, SDFs would express a need for a certain occupation where there were no posts on the organogram. In such cases, an organisational development exercise would produce more significant results than training interventions. The Back to Basics Strategy discussed in chapter 2, deals with many of these issues and it is raised here as a note for the purpose of preventing skills development intervention being targeted as non-skills related concerns.

### 3.2.2 SKILLS GAPS (CRITICAL SKILLS)

The analysis of the supply and demand for skills through the WSP submissions, other skills-related research, and the qualitative engagements with stakeholders, provided valuable input into the identification of skills gaps. The skills gap, in this context, refers to critical skills which are gaps in the competence or skills set of existing employees.

## MANAGEMENT

### Section 57 Employees

Section 57 employees refer to the Municipal Manager and any employees that directly report to him/her. In 2013, the University of Fort Hare explored the connection between the quality of service delivery and leadership development challenges in local government. The researchers identified skills gaps and classified them according to generic, technical, and municipal skills. While the report is slightly dated, qualitative engagements suggest that the findings are still relevant. The combined summary of skills gaps is shown in Table 3-4. Unless otherwise stated, the skills gap mentioned, is cited from the University of Fort Hare (2013) report.

Table 3-4 Critical Skills Gaps in Management

Generic skills	Technical skills
<ul style="list-style-type: none"><li>• Monitoring and evaluation (Stakeholders and UFH 2013);</li><li>• Project management (Stakeholders and UFH 2013);</li><li>• Local economic development (Stakeholders and UFH 2013) – Specifically Developmental Economics;</li><li>• Strategic Management (Stakeholders) – moving away from silos;</li><li>• Organisational Development (Stakeholders);</li><li>• Planning and Communication;</li><li>• Conflict Management;</li><li>• Interpretation of statutes/ Rule of law; Governance, Ethics, Accountability and Integrity;</li><li>• Change and people management (labour relations)</li><li>• Financial &amp; Risk Management;</li><li>• Report Writing and Records Management;</li><li>• Supply Chain Management</li></ul>	<ul style="list-style-type: none"><li>• Accounting, economics and taxation</li><li>• ICT</li><li>• Civic Engineering</li><li>• Development economics</li><li>• Asset Management</li><li>• Service delivery innovation / alternative service delivery</li><li>• Land use management</li><li>• LED and Infrastructure</li><li>• Transport Management</li></ul>
	Municipal Skills
	<ul style="list-style-type: none"><li>• Civil engineering</li><li>• Service delivery innovation / alternative service delivery.</li><li>• Governance, ethics, accountability and integrity</li><li>• Monitoring and evaluation (was also mentioned)</li></ul>

University of Fort Hare (2015) and Stakeholder Engagements (2016 and 2017)<sup>3</sup>

<sup>3</sup> The findings were further validated during the 2017 round of stakeholder engagements.

### Traditional Leaders

The development of traditional leaders has been elevated to a Strategic Focus Area for LGSETA. Based on the nature of the occupations, the skills gaps will always be critical skills and not scarce skills. Therefore, there is a need to understand what the development needs are. The University of Venda (2016) conducted a study entitled "Approaches to the Capacity Building for Traditional Leadership" and found the following needs that are required to perform their duties efficiently. The skills gaps are shown in Table 3-5 and are organised according to management-related skills, generic (non-technical) skills, and other technical skills.

Table 3-5 Skills Gaps for Traditional Leaders

Management-related Skills	Generic (non-technical) skills	Other technical skills
a) Leadership b) Project management c) Financial management and administration	a) Negotiation skills, b) Mentoring and coaching c) Report writing d) Team building e) Communication f) Batho Pele principles	a) Information management b) Land use management and land development processes c) Change and diversity management d) Conflict-resolution skills e) Pollution (water and land) f) Indigenous knowledge systems g) Records management

Source: University of Venda (2016)

It was also noted that some traditional leaders cannot read or write; therefore, Adult Basic Education and Training is required for those who need it.

## PROFESSIONALS

### Local Economic Development (LED):

LED has been discussed at various points in the SSP. It is a KPA for municipalities and a strategic focus area for LGSETA. Stakeholders agreed during the engagements that, while there is an expectation for municipalities to deliver economic growth, the technical knowledge is not necessarily available to develop optimal strategies. This is complicated by the fact that there is not a common understanding of the requirements of LED from an HR perspective. The profile of employees and the skills required, are unclear. The LED function is also structured differently in different municipalities. There is not always a person dedicated to LED in the municipality. In such cases, the function is a KPA of a number of different people. As a result, LED is simultaneously a scarce skill (if there is a post dedicated to LED) and a critical skill (where the ability to stimulate the local economy is shared amongst existing employees). In both cases, the intervention can be the National Certificate in Local Economic Development (SAQA Qualification ID No. 36438). Alternatively, municipalities can develop specific competencies that are lacking. The most significant of which are:

- **Analytical Skills.** This refers to the ability to assess and understand strengths, weaknesses, opportunities and threats, and how to maximise (minimise) them. Reference was made to researchers as a future need. Very few researchers are currently included in the organograms of municipalities. An argument was made there should be a movement to internalise research to inform policy for local government.
- **Developmental Economics.** In situations where the LED function is a component of several directorates, the technical knowledge relating to developmental economics is lacking. There is an argument for a specialist economist, which would likely remain in the realm of large municipalities and, perhaps, districts. In the absence of such a post, the need for the skills remain. Therefore, the beneficiaries of skills development in developmental economics will be non-economists performing many roles.
- **SMME Development.** As a part of LED, in addition to developmental economics, there is a need to understand what is required to conduct business as an SMME. This includes an understanding of how co-operatives can lower barriers to entry, and support the sustainability of local businesses.

### **Skills Planning / Human Resource Development**

The Local Government Municipal Act (Nov 2000) identifies “Staff Management and Remuneration through a Performance Management System” as a focus area for municipalities. Building capacity of workplace training systems is a Strategic Sub-Focus Area for the LGSETA (falling under Strategic Focus Areas: Good Governance and Institutional Development). If skills development is to be a catalyst for change, there needs to be a focus on creating additional capacity in the space. The University of Stellenbosch's School of Public Leadership (SPL 2017) assessed the challenges facing the SDF in implementing skills development plans and the University of Pretoria (UP, 2017) conducted an impact assessment of discretionary grant funding.

There appears to be an interventional focus when it comes to training. In other words, the attention is placed on implementing training programmes without necessarily conducting an effective plan or measuring if the training is having the desired results. The net result is that training interventions are not always generating the desired outcomes. Given the mandate of the LGSETA, there is merit in investing in support of the development of the education and workplace training environment from a systems point of view. The two papers raised a number of challenges which could form the basis for improving the effectiveness of training in the sector:

- **Skills Planning.** SPL (2017) found that skills development is poorly practiced within many municipalities. Skills audits and needs analyses are often poorly conducted; and if skills audits are done, skills development interventions are frequently not undertaken in line with these audits. In addition, the annual planning cycle has led some employers to adopt a short-term mindset (and thus interventions) for long-term challenges. In other words, planning in one-year cycles when 2 to 5 years (with annual updates) would be more effective.
- **Monitoring and Evaluation.** UP (2017) showed that inadequate information systems exist for monitoring and evaluating training by both the SETA and the employers. Concerted efforts from a policy and systems point of view will enable a feedback loop to be generated which will support changes stemming from training and development.
- **Support by Stakeholders.** Once learners acquire new knowledge, it is important that the environment enables employees for their work to reflect this new knowledge. Both SPL (2017) and UP (2017) identified that this is not always the case and often the environment is actively preventing a change in how work is done. This will prevent meaningful change being realised. The responsibility in this area moves beyond the SDF and the HRD department. Key in this instance is:
  - Support by Top Management. A business process is led by management and as a result, any change in how work is done (to improve performance) requires a commitment by management. Ideally, management needs to understand and manage the anticipated change in behaviour and as such, Change Management Skills are critical. A perfect example of this is how the CPMD programme can affect the way the municipality works with the outcome being improved Auditor-General outcomes (UP 2017).
  - Departmental Skills Planning. SPL (2017) found that there was a consensus amongst the municipal actors that skills development facilitation is the shared responsibility of the HR department, line managers and employees, yet there was a lack of commitment to departmental planning by line managers.
- **Understanding and using the Organising Framework for Occupations (OFO).** The entire skills planning process through the WSP submissions, is premised on a common understanding of the OFO and its use. Based on stakeholder engagements, this remains a challenge. There needs to be a concerted effort to map common job titles to the OFO and create a feedback channel for where no suitable match exists.

### **TECHNICIANS AND ASSOCIATE PROFESSIONALS**

#### **Critical Skills in the Green Economy**

The VUT, on behalf of the LGSETA (2016), completed a research project identifying the skills needs of the green economy from a local government perspective. The key findings include:

- There is a shortage of Water Process Controllers (which validates the findings from the WSP data);
- Sector skills planning for waste water treatment occupations; and
- Development and implementation of RPL programmes through existing partnerships with training institutions.

The Green Occupations Report by the Vaal University of Technology (VUT 2017) stated that none of the waste water treatment plants in local municipalities had “green” occupations due to lack of appropriate technology. However, the metros and large municipalities are doing better in this regard. Where municipalities had resources to apply green technologies, relevant skills were not always available in the market or willing to work in municipalities. No relevant qualifications are available at training institutions.

The stakeholders identified ways in which the green economy could stimulate employment as part of LED initiatives. An example was given of recycling and the opportunities for SMMEs. In the long term, there will be a greater movement towards clean energy generation and distribution, which will involve local government. However, this is dependent on policy decisions outside the realm of local government (see chapter 2, Drivers of Change). Until then, many of the clean energy-related needs remain potential needs.

## 3.2 EXTENT AND NATURE OF SUPPLY

The supply of skills in this context refers to the formation of skills through education and training institutions, and how they flow into the various occupations in the sector. The educational profile shown in Table 1-10 (chapter 1) shows that the sector draws on employees across the educational spectrum. While an argument can be made that the profile should include a higher proportion of employees from higher NQF levels, the reality is that skills are supplied from basic education, TVET, higher education and other learning institutions. As a result, a high-level analysis of entrants into the labour market is not useful for planning purposes in the context of the SSP. Instead, the flow of skills in key occupations is assessed so that the extent and nature of supply is ascertained at an occupational level. The Priority Occupations List was used to filter the supply and areas of concern are noted.

The first step in determining the supply of skills into the Priority Occupations is to identify what the learning pathway is for each occupation. The National Career Advisory Portal (NCAP) is an integrated online self-help career information portal. It contains information on occupations, learning pathways, public further and higher education institutions and the qualifications they offer ([www.ncap.careerhelp.org.za](http://www.ncap.careerhelp.org.za)). The learning pathways were concentrated into the most significant area of subject matter specialisation as per the Classification of Educational Subject Matter (CESM). Note: the full list of learning pathways is attached as Annexure B. The link to a CESM category enabled supply data, is to be drawn from either the Higher Education Management Information system (HEMIS) or the LGSETA's Quarterly Monitoring Reports (QMR).

The indicators for the supply of skills in these learning areas, were based on the changes in enrolment and graduate numbers expressed as a percentage. The reason is that expressing the numbers in absolute terms is not useful, as the proportion of skills that will flow into local government from the pool, is not known (with the exception of specialised local government programmes). Instead, the changes in supply (up or down) will give an indication on the tightening or loosening of supply constraints on the sector. Where there is a specific or specialised programme tied to the occupation, the actual numbers are cited where possible.

It is important to acknowledge that the measurement of the supply of skills is a notoriously difficult exercise. There are a number of factors that confound the analysis, the most significant of which are:

1. Often the pathway into a given occupation is nebulous. There is not necessarily a specific qualification or learning stream that feeds an occupation. For example: Office Manager (2015-134904) is a fairly generic management occupation. While there are competencies that are common to incumbents in the role, their respective paths could have come through any number of educational or professional nodes. For occupations where defining a learning pathway is not possible, they are excluded from Table 3-6, but shown in Appendix C as N/A.
2. There are also occupations where, even if there is a strong utilisation of a qualification, the requirements for employment are more dependent on experience. In such a case, the number of graduates specialising in the designated subject area, is less valuable than the dynamics within the occupations that feed into it. For example, a Supply Chain Manager will be more affected by the dynamics within the occupation Supply Chain Practitioner (in the short and medium term), than the respective Supply Chain qualifications.



Table 3-6 shows each Priority Occupation where a learning pathway was identified. The full list of Priority Occupations is included as Appendix C. Table 3-6 shows the most significant CESH code representing the learning pathway and enrolment/graduation data. The table also shows the reliance on experience as a job requirement (point 2 above). Where this value is high, the impact of the graduate and enrolment figures will take much longer to diffuse into the occupation.

*Table 3-6: Extent and Nature of Supply into Priority Occupations*

OFO code	Occupation	Number of posts	Supply			
			Learning pathway (CESM CODE)	Experience	% Change enrolments 2013-2015	% Change graduates 2013-2015
2015-111203	General Manager Local Authority	292	190301	High	-0,6%	6,9%
2015-121902	Corporate Services Manager	962	0401	High	14,0%	19,8%
2015-121101	Finance Manager	822	0402	High	-4,5%	10,3%
2015-121103	Credit Manager	245	040607	Medium	-19,5%	-8,9%
2015-132401	Supply Chain Manager	293	040102	High	-13,2%	88,1% <sup>2</sup>
2015-333905	Supply Chain Practitioner	454	040102	Low	-13,2%	88,1% <sup>1</sup>
2015-121104	Internal Audit Manager	248	040202	High	-8,2%	-10,2%
2015-242211	Internal Auditor	657	040202	Low	-8,2%	-10,2%
2015-121905	Programme or Project Manager	519	040110	High	42,9%	75,8% <sup>1</sup>
2015-134918	Water Production and Supply Manager	52	080705	High	4,5%	7,8%
2015-313201	Water Plant Operator	3 789	Learnerships	Low	N/A	33 (2013) 332 (2015)
2015-313203	Water Process Controller	348	Learnerships	Low	N/A	33 (2013) 332 (2015)
2015-215101	Electrical Engineer	588	080901	Low	2,1%	13,2%
2015-311301	Electrical Engineering Technician	1 007	080901	Low	2,1%	13,2%
2015-214202	Civil Engineering Technologist	486	0807	Low	2,8%	9,2%
2015-311201	Civil Engineering Technician	1 475	0807	Low	2,8%	9,2%
2015-541201	Traffic Officer	10 866	N/A	Low	N/A	N/A
2015-541101	Fire Fighter	7 598	Learnerships	Low		12 (2013) 58 (2015)
2015-541902	Emergency Service and Rescue Official	577	090718	Low	18,9%	16,3%
2015-671101	Electrician (General)	2 568	Trade	Low	*	*
2015-642601	Plumber (General)	1 426	Trade	Low	*	*
2015-2421	Local Economic Development Officer/Coordinator	333	Learnerships	Low		30 (2013) 91 (2015)
2015-263101	Economic Advisor	57	0404	medium	-7,1%	13,4%



OFO code	Occupation	Number of posts	Supply			
			Learning pathway (CESM CODE)	Experience	% Change enrolments 2013-2015	% Change graduates 2013-2015
2015-134401	Social Services Manager	208	2007	High	-5,2%	5,5%
2015-216401	Urban and Regional Planner	808	020201	Medium	15,3%	24,4%
2015-351302	Geographic Information Systems Specialist/Technician	405	140501	low	11,9%	33,1%
2015-311203	Town Planning Technician	255	020201	low	15,3%	24,4%

Source: HEMIS (2015), HEMIS (2017), WSP (2017), NCAP (n.d.), QMR (2013/14), QMR (2015/16)

Based on the above, the following flags have been raised:

1. The occupations with the strongest utilisation in the local government sector (Urban and Regional Planner, Geographic Information Systems Specialist/Technician and Town Planning Technician) show upward supply trends. Given that these occupations have all been listed as scarce skills in previous SSPs, the increased supply is welcome.
2. Local Economic Development (LED) is a KPA for municipalities. While there are learnerships for LED, it is not a defined learning pathway into a specific role. An analysis by the University of Pretoria (2017) found that there is a very low level of investment in LED learnerships and are not necessarily implemented in a manner that will generate change. This is flagged for urgent development.
3. Generic management occupations, from a core qualification point of view, are well supplied. The gaps in these occupations will likely be skills gaps (critical skills) as opposed to a shortage (scarce skills).
4. Enrolments in financial qualifications are declining. The minimum competency requirements for municipal financial occupations already make it more difficult for the sector to compete in the labour market. If the flow of skills into the labour market reduces, a potential for a shortage in the future is increased.
5. Regarding the technical occupations, the rate of supply into the labour market is improving in all occupations where data is available. However, anecdotal evidence suggests that a greater investment in water-related occupations is required.

### 3.3 PIVOTAL LIST

The PIVOTAL list is a key output of the SETA, as 80% of the available discretionary budget must be spent on PIVOTAL programmes. It is used by DHET to inform enrolment and infrastructure planning by the Vocational and Continuing Education and Training (VCET) and University branches, as well as contribute to the compilation of the Occupations in High Demand List (OHDL), published by the department every two years (DHET 2016).

Table 3-7 shows the approach of the LGSETA in developing the PIVOTAL List as per the questions posed by the Department of Higher Education and Training's (DHET) guidelines.

Table 3-7 Approach to the development of the PIVOTAL List

Question in the SSP guideline	LGSETA approach to the development of the PIVOTAL List
What informed the interventions indicated in the SETA PIVOTAL list?	The learning pathways identified in section 3.2 was the primary mechanism for identifying the interventions. Alternatively, where the need is based on a critical skill, the intervention identified is based on what would be most suitable to close the skills gap.
What are the envisaged outcomes from the identified interventions?	In the case of scarce skills, the envisaged outcomes are an increase in supply into the labour pool for the given occupation. Over time, this will result in an easing of the supply constraints. In the case of critical skills, the identified gap should be closed by the intervention.
What consultative processes did the SETA use to arrive at the occupations identified in the PIVOTAL list?	Stakeholder consultations were held in all nine provinces. The preliminary list of scarce and critical skills was presented and interrogated. In addition, the opportunity was given for SDFs to identify other occupations not flagged in the quantitative analysis.
What are the main findings that informed the PIVOTAL list?	The criteria for inclusion on the PIVOTAL list are as follows: 1. Identified as being in shortage (scarce skill) in the analysis of demand of skills, supply of skills and skills gaps. 2. Identified during qualitative stakeholder consultations. 3. Prioritised based on size of occupation, and strategic implications of shortages in the sector. The top ten were selected. Preference was given to occupations on the Priority Occupations List.
What informed the quantities indicated in the SETA PIVOTAL list?	In the event of scarce skills, the number of Hard to Fill Vacancies was used as an indicator of quantity. In terms of critical skills, a qualitative assessment of the extent of the skills gap was used. This was applied to the total employment in the occupation.
Is the SETA PIVOTAL list ranked in order of priority? If so, what informed the ranking of occupations indicated in the SETA PIVOTAL list?	No. The final occupations included in the PIVOTAL List can all be considered a high priority.

### 3.3.1 PROVINCIAL PIVOTAL LISTS

One of the dynamics of the local government sector is that there are, by definition, municipalities in all areas of the country. Local and provincial drivers become key to the needs of municipalities and the nine provincial workshops highlighted distinct differences between provinces. For example, the vast distances between many of the municipalities in the Northern Cape, mean that the supply of skills (in terms of available service providers) becomes more of a challenge than in a smaller, more urbanised province like Gauteng. As a result, there are needs that are unique to the Northern Cape that are not evident in other provinces.

These differences are articulated in the form of draft provincial scarce and critical skills lists that are included as part of the portfolio of evidence for this SSP.

## 3.4 CONCLUSION

A comprehensive analysis of WSP data, existing research projects and stakeholder engagements, revealed a series of skills needs, both in terms of occupational shortages (scarce skills) and skills gaps (critical skills). The areas of concern include:

- Water-related occupations with three occupations (Water production and Supply Manager, Water Plant Operator and Water Process Controller) in the value chain being flagged for shortages. There was confusion as to how the employees should be allocated into the controller versus processor occupation, so for the purposes of planning, when one is referenced, both are included.

- Technical skills in terms of civil engineering are problematic with a shortage being flagged in terms of engineers, technologists and technicians. The qualitative feedback from the stakeholder engagements were mixed, but strong enough to still include both engineer and technologist in the top 10 occupations listed.
- Finance-related occupations showed less of a shortage than in previous years, but with indications of a declining supply, there is likely to be further pressure in the future.
- Local Economic Development is significantly undersupplied. It is both a scarce skill and a critical skill.
- Planning skills are in shortage. This relates to municipal planning as well as skills planning.
- Traditional leaders will never be classified as scarce skills, but there are skills gaps which need to be addressed.
- Management competencies are key to the success of the sector and skills gaps are evident in a number of areas, which require attention.

Several priority occupations were identified from which the critical skills and PIVOTAL lists were generated.

Table 3-8 2017 PIVOTAL list

OCCUPATION CODE	OCCUPATION	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	TIME FRAME	Quantity to be supported by SETA
<b>2015-311301</b>	Electrical Engineering Technician	A National Diploma in Electrical Engineering, Support Candidacy	6	Y	182	3 years	182
<b>2015-214201</b>	Civil Engineer	Bachelor's degree in Civil Engineering	7	Y	107	4 years	107
<b>2015-214202</b>	Civil Engineering Technologist	Bachelor of Technology in Civil Engineering OR conversion of National Diploma)	6	Y	92	4 years (1-year conversion)	92
<b>2015-313201</b>	Water Plant Operator <sup>3</sup>	A number of Learnerships and Skills Programmes, including RPL covering water and wastewater processing and reticulation	2 - 4	Y	82	1 year	82
<b>2015-2421</b>	Local Economic Development Officer/ Co-ordinator	National Certificate: Local Economic Development	5	Y	200	1 year	200
<b>2015-263101</b>	Economic Advisor	Bachelor Degree in Economics	6	Y	68	3 years	68
<b>2015-121206</b>	Health and Safety Manager	Bachelor of Technology in Environmental Health	6	Y	63	3 years	63
<b>2015-642601</b>	Plumber (General)	Apprenticeship followed by Trade Test <b>Learnership Pathway:</b> <ul style="list-style-type: none"> <li>• Learnership - Plumbing NQF 2</li> <li>• Learnership - Plumbing NQF 3</li> <li>• Learnership - Plumbing NQF 4 followed by trade test</li> </ul> <b>National Certificate Pathway:</b> <ul style="list-style-type: none"> <li>• National Certificate in Plumbing NQF 2</li> <li>• National Certificate in Plumbing NQF 3</li> <li>• Further Education and Training Certificate in Plumbing NQF 4 followed by trade test</li> </ul>	2-4	Y	140	3 years	140
		RPL for Plumbing followed by trade test					

OCCUPATION CODE	OCCUPATION	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	TIME FRAME	Quantity to be supported by SETA
<b>2015-671101</b>	Electrician (General)	<b><i>Apprenticeship followed by Trade Test</i></b> <ul style="list-style-type: none"> <li>• Learnership - Electrical Engineering NQF 2</li> <li>• Learnership - Electrical Engineering NQF 3</li> <li>• Learnership - Electrical Engineering NQF 4 followed by trade test</li> </ul>	2-4	Y	250	3 years	250
<b>2015-216401</b>	Urban and Regional Planner	National Degree: Town and Regional Planning National Diploma: Town and Regional Planning Registration with the South African Council for Planners (SACPLAN) after two years working experience under a registered Professional Planner	6 & 7	Y	50	3 years	50

1 The stakeholder engagements revealed that SDFs did not have a common understanding on the difference between Water Plant Operator and Water Process Controller and often the occupations were used synonymously. As a result, where one occupation is flagged, both are cited and treated as a single occupation.

2 The change in graduates seems unlikely. It may be due to a change in the CESM codes, rather than an actual change in numbers.

3 Stakeholder engagements revealed that the Water Plant Operator is often used synonymously with Water Process Controller (2015-313203). For the purposes of the SSP, reference to the one, includes the other, as they cannot be distinguished in the data.



## CHAPTER 4: **SECTOR PARTNERSHIPS**

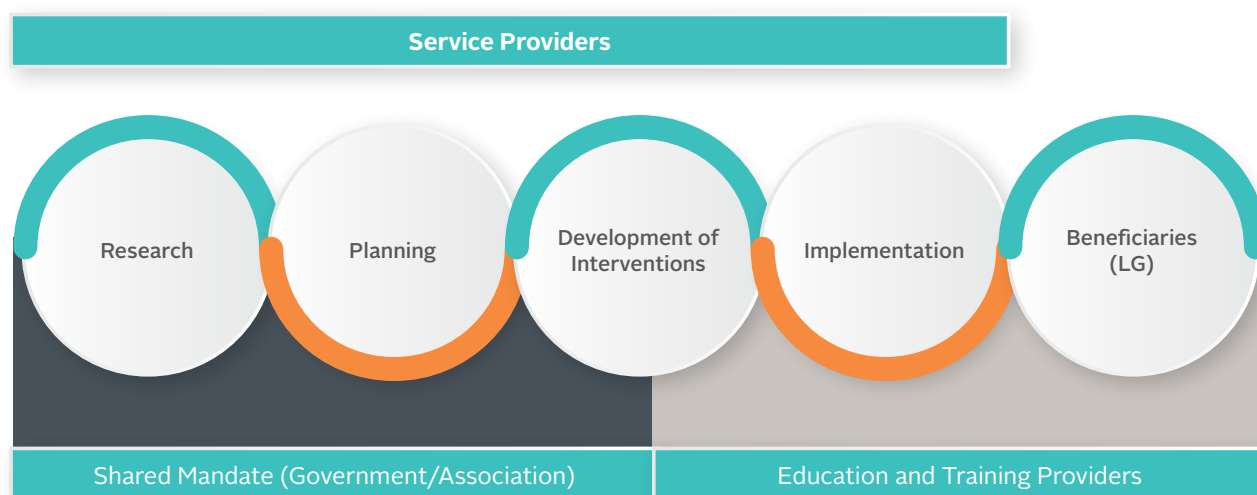
## 4.1 INTRODUCTION

Partnerships are an integral part of the success of any SETA. The nature of the mandate is such that no organisation can achieve it alone. Besides sharing the metaphorical load, effective partnerships create synergies through maximising relative strengths and capabilities.

The LGSETA created a framework for partnerships in 2016 with the objective being to identify opportunities in areas that may previously have been unrecognised. The framework seeks to create 'placeholders' which allows the organisation to treat it as a checklist as it moves through the different phases of carrying out its mandate. There are two components to the framework namely: a value chain and a stakeholder framework.

The Figure 4-1 below shows a simplified version of the LGSETA value chain of the Partnership Framework. Starting with research, priority areas are identified, which feed into a planning process. This planning process, which includes the SSP, the Strategic Plan, and the Annual Performance Plan, identifies areas for, and nature of intervention. Interventions are then designed and implemented (this includes ETQA). There should be a feedback cycle (M&E research), which closes the loop for the chain to continue.

Figure 4-1: LGSETA Value Chain Component of the Partnership Framework



The Partnership Framework is based on a stakeholder analysis, conducted and referenced in chapter 1. The objective is to identify all possible role-players with a stake in local government, and therefore could offer opportunities for co-operation through shared vision, mandate, activity, or competence.

This chapter will briefly describe existing partnerships before moving into planned/possible partnerships for the future. This framework is still relatively new and will take time to populate in its entirety.

## 4.2 EXISTING PARTNERSHIPS

The LGSETA has several research partnerships with public higher education institutions to support the SETA's capacity to contribute to NSDS III Goal 4.1 of Building a Credible Skills Planning Mechanism. The strength of the partnerships is based on the LGSETA's ability to access expertise from the various university faculties because academics from these institutions form part of a collaboration network led and managed by the research teams. The partnerships have been very fruitful, producing valuable input into the SETA and the sector as a whole. Table 4-1 shows the current research partnerships and the output to date.

Table 4-1 Output from Current Research Partnerships

Name of institution	Output from partnership	Duration of the partnership/ agreement
Enterprises University of Pretoria	Technical support for the development of the SSP Impact Assessment on Discretionary-funded Projects Technical Skills Challenges in the local government sector	31 March 2018
University of Fort Hare	Local Government Middle-Management Professional Skills Development	31 March 2018
University of Venda	Skills transfer in municipalities in South Africa	31 March 2018
Council for Scientific and Industrial Research Council	Local Government Skills Forecasting Model	31 March 2018
Vaal University of Technology	Analysis of green occupations: The local government sector perspective	31 March 2018
University of Witwatersrand	Transport Planning in Municipalities in South Africa	31 March 2018
Centre for Education Policy Development	RPL as a significant tool in the implementation of skills development in the local government sector: A case of the forgotten municipal employees	31 March 2018
Stellenbosch University	The challenges faced by the municipal skills development facilitator in the planning and implementation of skills development interventions	31 March 2018
Rhodes University	Study to boost local economic development through marine resources	31 March 2018
Human Sciences Research Council	Challenges facing Adult Education and Training in the Local Government Sector, South Africa (2017)	31 March 2018

Additional MOUs have been signed with North West University, Nelson Mandela Metropolitan University, Productivity South Africa and the University of the Western Cape, but are still in the process and have not produced any output as yet.

Partnerships relating to the other components in the value chain are shown in Table 4-2.

Table 4-2 Current (Non-Research) Partnerships

Value chain component	Stakeholder	Partnership	Objectives
Planning	Other SETAs	Inter-SETA Forum	Co-funding learning and development initiatives, accrediting learning programmes where the scope of operation overlaps and collaboratively driving the implementation of SETA Programmes
	SALGA	Provincial Skills Development Forum	Develop capability at provincial level



Value chain component	Stakeholder	Partnership	Objectives
Develop interventions	Other SETAs (ETDP SETA, SASSETA and MQA) and QCTO	ETQA	Provide inter-SETA quality assurance on interventions
	Cape Peninsula University of Technology (CPUT) and the Water Institute of South Africa (WISA)		Quality Assurance and RPL toolkits and/or assessment centres for water related qualifications
Implementation	Mopani TVET College and Umfolozi TVET College	MOUs with several TVET colleges to support NSDS III Goal 4.3, of “promoting the growth of a public TVET college system that is responsive to sector, local, regional and national skills needs and priorities” (DHET, 2011)	The focus of the partnerships is to facilitate skills development in Diesel Mechanic and Boiler Making, with further funding in National Certificate Vocational programmes with other learners registered in NATED in Engineering (Civil, Electrical, and Mechanical) and related designs
	Maluti TVET College and Maluti a Phofung Local Municipality		Development of artisan and technical skills
	Northern Cape Provincial Government and the Northern Cape Rural TVET College		To cover skills development programmes, artisan development, councillor, environmental practice and water and wastewater processing
	Central University of Technology (CUT)		The project is still in its early days, but the desired outputs are to issue sector specific qualifications, place learners for workplace experience and facilitate the running of SETA-funded programmes
Beneficiaries	Other SETAs	Integrated skills development	Implement an integrated skills development intervention for the Nelson Mandela Bay Metro

Regarding the two offices at Mopani TVET College and Umfolozi TVET College, importantly, the LGSETA has supported lecturer development to enable lecturers of Mopani TVET College to obtain the workplace exposure. The partnership with Umfolozi TVET College has seen the registration of learners in plumbing, environmental practice, public administration, bricklaying, roadworks, and electrical learnerships, with other TVET learners, enrolled as artisan learners in welding, electrical, plumbing, bricklaying and instrumentation trades. The partnerships have yielded benefits for both entities because the SETA has increased its visibility within the local communities and, through funding, has obtained access to more learners.

## 4.2 NEW PARTNERSHIPS

As can be seen in section 4.1, the partnerships that have been implemented to date cover the full value chain and involve a fairly broad range of stakeholders. Feedback on the effectiveness of current partnerships will then inform the establishment of new partnerships. For example, based on the experiences with the implementation partnerships between TVET colleges, the LGSETA and a municipality as described above, it is planned to roll out the model to more colleges. The goal is to deliver learning programmes, placement of learners for experiential learning, as well as provide career guidance and counselling. Targeted stakeholders include the University of the Free State and Sol Plaatje University.

Regarding research partnerships, the availability of data to inform decisions, is a constant struggle for SETAs. As a result, data sharing agreements with stakeholders are being investigated. Rather than conducting primary research, administrative datasets often provide valuable strategic information for skills planning. For example, projects such as the GAPSKILL skills audit process, contain valuable skills information that would support effective skills planning.

There is a need to build additional partnerships around planning. This refers to both skills planning and municipal planning (Strategic Focus Area 4). It was a key finding of the University of Pretoria Impact Assessment (Enterprise 2017) that there is a need to strengthen monitoring and evaluation of discretionary grant programmes. Therefore, implementation agreements need to be strengthened regarding the management of interventions to ensure that programmes are being rolled out as agreed.

The stakeholder analysis identified organisations in national and provincial government where the mandate with LGSETA overlaps. Opportunities for partnerships cover a number of areas but mainly focus on planning and implementation. Targeted partnerships for the future are shown in the Table 4-3 below.

*Table 4-3 Future Partnerships*

Stakeholder	Objective of the partnership
SALGA and CoGTA (national and provincial)	Partner in the delivery of the full value chain of LGSETA.
Labour (unions and the Department of Labour)	Ensure the interests of workers are being represented and to assist in recruiting workers for strategic programmes.
CoGTA	CoGTA has a Strategy for Local Government as Career of Choice: 2013 to 2016 (CoGTA 2013). Since Industry Attractiveness was cited as a driver of scarcity in several occupations, a partnership to build on the effectiveness of this strategy, should be investigated.
Department of Public Works	Provide access to internship opportunities and internships under the auspices of the Free State Office of the Premier.
Department of Rural Development and Land Affairs	Support rural skills development interventions through providing young people in rural areas with access to learnerships.
Provincial Department of Economic Development	Encourage active participation and contribution to the green economy. The planned partnership involves research, advice and support to the sector, to support implementation and to co-fund learning interventions.
Department of Agriculture and Fisheries	Advise, support, and participate in learning interventions in agriculture and marine culture. Also, the Department will host SETA-funded learners for work-integrated learning.
MAP Water and Bloem Water	The objective of the partnership is for the employers to play an oversight role in project implementation, to co-fund and drive implementation of water-based learning programmes.
Municipalities and Power Utilities (CENTLEC)	Oversight, co-funding and implementation support.
Provincial Treasuries and the Department of Water Affairs	National and provincial departments have been identified where an opportunity exists to partner so that the departments can play an advisory role on latest trends and developments within the sector as well as co-funding strategic projects.

In terms of beneficiaries, a need was identified to have an intervention that focuses on gender transformation in the sector. Data presented earlier, reveals there are more men working in the sector, compared to women and, importantly, more men than women in the Management and Trade Occupation categories. To support the development of women in local government and, in particular, to occupy positions in these categories, an opportunity exists to partner with CoGTA and SALGA to develop and implement leadership programmes. These programmes are aimed at women in management positions and women who have been in leadership positions for less than three years, to provide the emerging leaders the opportunity to develop leadership skills.

The role and importance of small business (including co-operatives) in transforming a country's socio-economic landscape the world over, is well documented (Philip, 2003). The LGSETA must ensure it facilitates access to appropriate skills development opportunities for SMMEs and co-operatives that will support the implementation of the SIPs. A partnership with Small Enterprise Development Agency (SEDA) has been identified where the focus will be on SMME development and entrepreneurial skills for unemployed learners.

## 4.3 CONCLUSION

Partnerships are an important service delivery mechanism that can be leveraged by the SETA to improve implementation of various programmes and access to other stakeholders that are important for its work. In this chapter, the state of existing partnerships was discussed through the presentation of selected partnerships outlining where strengths and areas for strengthening the partnership exist. This chapter also identified new partnerships that the SETA will seek to form, going forward.



# CHAPTER 5: **SKILLS PRIORITY ACTIONS**

## 5.1 INTRODUCTION

The previous chapters provided information and analysis on the skills dynamics within the local government sector. This chapter summarises those findings and presents a response in the form of recommended actions that are realistic, consistent, and achievable. It also provides a set of priority actions, but is not a detailed strategic or operational plan. The findings are organised, based on the LGSETA Strategic Focus Areas as detailed in chapter 3.

## 5.2 FINDINGS FROM PREVIOUS CHAPTERS

### 5.2.1 GOOD GOVERNANCE AND INSTITUTIONAL DEVELOPMENT

At the heart of sustainable service delivery is sound governance, strong political and administrative leadership, and accountable management. Therefore, the LGSETA will continue to focus on management occupations identified through the research. Key findings include:

- Generic management occupations are well supplied from a base qualification point of view. In other words, there should be sufficient skills in the labour market to fill posts in the sector. There are, however, a number of gaps in competencies (critical skills) which will be the focus of interventions.
- Critical skills in management have been identified to include Project Management, Developmental Economics, Organisational Development, Strategic Management, and Monitoring and Evaluation.
- WSP data reports that 17.5% of employees in management occupations have less than a matric as a highest level of education. Therefore, it is important to continue to focus on management competencies moving forward.

Also included under this strategic focus area, is “Building capacity of workplace training systems”, which is a critical area for success because the lack of capacity in this area limits the impact of investments in skills development in other areas. The research undertaken by LGSETA has pointed to broader institutional challenges relating to skills planning and implementation that face the sector. In the Impact Assessment of Discretionary Grants Programmes (UP, 2017) and the SDF Research Project (SPL 2017), significant gaps in the collection, use, and application of information relating to human resources development within the sector, are identified. Some of the key findings include:

- Weak skills planning characterised by ineffective skills audits, ineffective training committees, and insufficient engagement by senior management on issues relating to skills development.
- Inadequate record-keeping or information systems for monitoring and evaluating training by both the SETA and the employers.
- Poor awareness or knowledge of HRD policies, in general, among employees in municipalities. Moreover, weak management commitment to HRD, leads to poor post-training outcomes. Irrespective of how good the training was, or how well learners fared, where senior leadership does not value the training, such investments will have no effect on the organisation's performance.
- Short-term interventions for long-term challenges, namely planning in one-year cycles, when 2 to 5 years would be more effective.

### 5.2.2 TRADITIONAL LEADERSHIP AND DEVELOPMENT

The development of traditional leaders has been elevated to a Strategic Focus Area for LGSETA. Based on the nature of the occupations, the skills gaps will always be critical skills and not scarce skills. According to the University of Venda (2016), the most important needs are management skills, such as project and financial management, soft skills such as negotiation, communication and report-writing and other technical skills, including land use management and land development processes, change and diversity management, conflict-resolution skills, pollution (water and land) and indigenous knowledge systems.

It was also noted that some traditional leaders cannot read or write; therefore, Adult Education and Training should be provided for those who need it.

### 5.2.3 FINANCIAL MANAGEMENT

The financial management reform, which was started in 2003 with the enactment of the MFMA, continued with the enforcement of the minimum competencies in 2007. The key areas of operation relate to Finance and Supply Chain Management. Implementation of the minimum competencies will continue and, as a result, the relevant learnerships will remain a priority and will continue to be supported by LGSETA.

Key financial occupations such as Finance Manager and Credit manager were flagged as scarce in the 2016 SSP update, yet based on the 2017 WSP submissions, found that they were less of a concern. Having said that, enrolments and graduates in financial qualifications have decreased. This is likely to put pressure on the labour market in the future.

### 5.2.4 INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICES

Infrastructure development and basic services include many of the hard skills related to providing the core services of the municipality. There are a number of occupations flagged for scarcity amongst these hard skills, with a common driver being municipalities unable to attract the skills to their area. Educational interventions from LGSETA would be able to develop local skills and tie learners into employment agreements in the specific area. The following key findings were made:

- Due to the nature of the skills, the time to develop is extensive, with most occupations requiring at least three years to complete. In addition, many of the occupations require professional qualifications and thus allowances should be made to support the candidates and not just the base qualification.
- The main driver of shortage is geography. Funding agreements and placement of candidates should take into account the need to service outlying areas.
- In terms of specific occupations:
- The need (from a scarcity point of view) for civil engineers fell in 2016, but has subsequently risen again in 2017. WSP data (2017) indicates that relative scarcity is high (13%) with the main driver being municipalities' inability to attract suitable candidates to their area. Add to that, there is a need for Civil Engineering Technologists and Technicians. The relative scarcity of technologists is particularly high at 18.9%. The size of the technician occupation on the other hand (1 475 employees) means that the 7.1% relative scarcity is significant.
- Engineering Manager was not included as a priority occupation because it is relatively small. However, it was flagged based on an absolute shortage of skills. This is likely to be a more extensive shortage in the labour market and is evidenced by high levels of turnover, relative to other occupations in the sector. As a result, it is added to the PIVOTAL list.
- Electrical Engineering Technicians were also flagged as scarce, based primarily on being a geographic driver with as many as 203 posts being marked as Hard-to-Fill Vacancies.
- There were occupations flagged within the wastewater and water supply value chain. Water Process Operators were on the 2016 scarce skills list and continue to remain a priority in addition to Water Process Controllers and Water Production and Supply Managers.
- None of the wastewater treatment plants in local municipalities had "green" occupations, due to lack of appropriate technology. Metros and large municipalities are doing better in this regard. Where municipalities had resources to apply green technologies, relevant skills, or a willingness to work in municipalities, are not always available in the market. No relevant qualifications are available in training institutions.
- Health and Safety Managers were flagged, based on very high levels of absolute scarcity as well as showing an aging workforce. A suitable pipeline into the occupation needs to be developed, as it appears that the current dynamics are producing too few skilled candidates.

### 5.2.5 MUNICIPAL PLANNING

Municipal planning is a core function of the municipality and drives many of the other strategic areas of the municipalities' mandate. It covers Local Economic Development, Social Planning, IDP and Community Participation and Spatial Planning.

- The occupations with the strongest utilisation in the local government sector (Urban and Regional Planner, Geographic Information Systems Specialist/Technician and Town Planning Technician) show upward supply trends. Given that these have all been listed as scarce skills in previous SSPs, the increased supply is welcome.
- Local Economic Development (LED) is a KPA for municipalities. While there are learnerships for LED, it is not a defined learning pathway into a specific role and evidence suggests that investments in the available qualifications are low. This is complicated by the fact that there is not always a person dedicated to LED in the municipality. In such cases, the function is a KPA of a number of different people. As a result, LED is simultaneously a scarce skill (if there is a post dedicated to LED) and a critical skill (where the ability to stimulate the local economy is shared amongst existing employees). Effective local economic development requires additional skills, including Analytical Skills, Developmental Economics and SMME Development.
- Economic Advisors are important to the improvement of the LED function. It is a small occupation in the context of the sector, but there is significant shortage in the area. Employers reported more hard-to-fill vacancies than the total occupational employment in the sector. This shortage is evident in a high level of movement and is on the PIVOTAL list.

## 5.3 RECOMMENDED ACTIONS

Through the funding of bursaries, artisan development, learnerships and skills programmes, the SETA will continue to invest in the local government sector to support and enhance sustainable service delivery. In response to the findings articulated above, the following actions are recommended to supplement the existing activities to support the national strategies.

1. First, LGSETA will continue with the existing skills priorities for councillors and new municipal managers. Since both CoGTA and SALGA also have an interest in developing new members, following the elections in 2016, the co-ordinated approach will be continued to maximise outcomes.
2. With 41 617 employees (15.6%) having NQF level 1 or lower, Adult Education and Training will remain a priority.
3. Regarding the geographic constraints, small and rural municipalities will experience shortages, based on their own local labour market and those in the broader labour market. When there is a shortage in skills, it is likely to be felt most severely in rural areas. Due to their small size, they are less able to compete financially for the resources available and, therefore, struggle with recruitment and retention, and may even place a dampening on training and development. When developing key occupations in remote areas, the funding agreements should include a requirement to work in the designated area for a period of time. Furthermore, the placement of candidates in professional occupations in remote areas, should be investigated.
4. The development of capacity in municipalities to support Local Economic Development is low with a limited supply of skills flowing into key occupations. There needs to be a focus on the LED Learnership (NQF 5), as well as the core skills required for LED, including Analytical Skills, Developmental Economics and SMME development.
5. The hard skills throughout the value chains associated with basic service delivery, will continue to be supported. This includes operators to artisans to managers, with particular focus on the occupations raised in the analysis.
6. Implementation of the minimum competencies in Finance and Supply Chain occupations will continue and, as a result, the relevant learnerships will remain a priority and will continue to be supported by LGSETA.

Traditional leaders have been elevated from a sub-focus area under governance, to its own primary strategic Focus Area. The needs of traditional leaders have been well articulated through research conducted by the University of Venda and it is important that these needs are not lost in the broader implementation. Therefore, specific programmes will be implemented for traditional leaders, moving forward.

Chapter 3 discussed how the impact of training is being dampened by inadequate skills planning competencies in the sector. This should be a key priority moving forward as it represents the core mechanism for the LGSETA to affect change. As a result, the SETA has identified the following measures to address the systemic challenges identified in the research. Note: the measures mentioned below, affect all the focus areas mentioned above:

1. **Roll out a support programme for skills planning** to be available to employers and to be funded through Discretionary Grants. The support programme may comprise of a basket of tools and methodologies for training needs identification (skills audits), planning, monitoring and evaluation (including baselining), performance management, succession planning, recruitment and retention strategies.
2. **Establish more robust systems for monitoring and evaluating programmes supported by the SETA.** This includes development of data management platforms that provide accurate, comprehensive, and consistent data on the programmes funded by the SETA. Recommendations have been made in the Impact Assessment Report regarding upgrading the Quarterly Monitoring Reports (QMR) and strengthening the M&E policy to fulfil this need. They provide a useful starting point for the SETA to take forward. Improving information systems will contribute to better decision making and planning.
3. **Review Discretionary Grant (DG) Policy to allow for multi-year funding awards** where such an approach will lead to better results. Some of the intended educational outcomes for which employers apply for DG funding can best be realised over a multi-year cycle. Moving from one year to multi-year awards will contribute to long-term planning by municipalities. It also overcomes the significant administrative delays that have adversely affected training implementation in past years.
4. **Support mentoring initiatives and programmes.** The need for mentoring is high as well as teaching key personnel how to mentor. The ability to transfer skills to learners is not intuitive and can be developed.
5. **Encourage management commitment** to training through communication, policy and possibly mentoring and coaching.

The above measures are intended to support the National Strategies and Plans identified in chapter 2. Some of these links are direct, whereas others are more indirectly supported. Table 5-1 shows the key strategies and policies and their implications for the LG sector, and how the SETA interventions aim to support them.

*Table 5 1 Planned Interventions to Support National Strategies*

National strategies/ policies impacting on the LG sector	Planned interventions by the SETA to support national strategy
Medium-Term Strategic Framework (2014 to 2019)	The MTSF focuses on improved capacity for service delivery at local government level. The LGSETA aims to support municipalities to improve their systems through improved skills planning, encouraging management commitment to skills development, and supporting the improvement of information and monitoring systems at municipal level.
The New Growth Path (NGP): Framework	The LGSETA will work with municipalities, and Education and Training providers to identify “green occupations” and to facilitate access to suitable learning programmes for both new entrants and existing workers. Beyond that, the SETA is committed to improving the capacity of municipalities to engage in strategic LED to support job creation strategies locally.
Human Resource Development Strategy 2010 to 2030	The LG SSP is a plan to support human resources development in the local government sector. The SSP allows for multi-year Discretionary Grants awards to support more integrated long-term skills planning and implementation and requires further investigation.



National strategies/ policies impacting on the LG sector	Planned interventions by the SETA to support national strategy
National Development Plan	The SETA has prioritised two groups to raise the professional profile of LG, namely municipal councillors and traditional leaders. These interventions are aimed at improving the capacity of political leaders to oversee and provide leadership to municipalities. The SETA is committed to supporting ongoing professional development of management teams in finance, supply chain, and other delivery-related occupations.
Local Government Turnaround Strategy (LGTAS)	The development of capacity in municipalities to support Local Economic Development is low, with a limited supply of skills flowing into key occupations. This requires a focus on the LED Learnership (NQF 5) as well as the core skills required for LED, including Analytical Skills, Developmental Economics and SMME development. The hard skills throughout the value chains associated with basic service delivery will continue to be supported, including operators, to artisans, to managers, with particular focus on the occupations raised in the analysis.
White Paper for Post-School Education and Training (2013)	The LGSETA has established partnerships and strong working relationships with selected TVET Colleges and HEIs to support the development and implementation of appropriate learning programmes in line with the needs of the sector.
Youth Employment Accord	Through its bursaries, learnerships and other funding vehicles, the SETA facilitates access to learning opportunities for youth in the occupations prioritised on the PIVOTAL list. This supports municipalities' abilities to attract competent and skilled workers, and for young learners to acquire skills that are relevant to the sector.
Integrated Urban Development Framework: Implementation Plan	The skills prioritised for funding focus on the technical occupations that are core to service delivery in municipalities. They include town planners, civil and electrical engineers, water and wastewater treatment operators, and health and safety managers. The SETA will also continue to work with municipalities to address specific needs at a provincial and local level, where these needs differ from those identified nationally.

## 5.4 CONCLUSION

The recommended actions of the SSP seek to take a long-term view to human capacity development at local government, investing in systemic change, not only short-term interventions. The HRD policies also emphasise the provision of opportunities for youth. By clarifying learning and career pathways in areas that are currently underserved at local government, and placing greater emphasis on mentorship, this SSP creates an enabling framework for accommodating young people.

Strengthening of municipal capacity, as envisaged in policies such as the Local Government Turnaround Strategy and the Integrated Urban Development Framework, is also a key priority in this SSP. Some of the challenges identified through research and the WSP analysis point to structural challenges within municipalities. The SSP has prioritised skills in management, planning and technical occupations that pose the greatest challenge for local government at present, especially in rural areas.

LGSETA's vision is to be a SETA of excellence. By approaching skills development in an integrated systemic manner, the SETA aims to work with local government to improve service delivery for the benefit of all.

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