



## **HUMAN RESOURCE POLICY VOLUNTARY SEPARATION**

<b>Policy No: NLMHRET005</b>	<b>Effective Date: 01 April 2008</b>
<b>Approved:</b>	<b>Review Date: 01 April 2009</b>

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary, subject to Labour Law Dispensation or operational requirements.

### **1. SCOPE**

This policy will be only be applied on written notice from Management, taking into account all circumstances contained in the preamble, and such written notice shall contain which employees shall be eligible to participate.

### **2. PREAMBLE**

In accordance with:

- Our vision and mission;
- The Municipality's Integrated Development Plan;
- The Employment Equity Policy and Plan;
- The Placement Policy;
- The Detailed Level Design, and
- The Succession Planning Policy (incorporating career pathing, fast tracking, skills development, coaching and mentoring).

Ngwathe Local Municipality shall engage in, as and when appropriate, a process which offers voluntary separation.

The process shall embody the complexities of and be true to the spirit of South Africa's Transformation Legislation.

### 3. POLICY

The purpose of initiating a process of voluntary separation is to provide the opportunity for the reduction in staff complement within the structure of Ngwathe Municipality by the offering of, application for and granting of, voluntary separation in appropriate cases.

It must however ensure that our needs and priorities in respect of key skills required for our core business are fulfilled and that continuity is achieved.

### 4. STAKEHOLDER ANALYSIS

<b>Role</b>	<b>Responsibility</b>
Municipal Manager / Director Corporate Services (subject to its delegations if any)	
Council	
Line Manager	
Human Resources	
Labour Representatives	

## 5. PROCEDURE

### CONTEXT FOR THE OFFER OF VOLUNTARY SEPARATION

#### 5.1 Legislative Context

##### 5.1.1 Transformation Legislation specific to Local Government

The Transformation Process at Ngwathe Municipality is aimed at enabling Ngwathe Municipality to fulfil:

- Its Constitutional obligations;
- Its obligations in terms of the Local Government: Municipal Structures Act No 117 of 1998, Local Government: Municipal Systems Act 32 of 2000 as well as the Local Government: Municipal Finance Management Act.

##### 5.1.2. Transformation Legislation applicable to all South African Institutions, including Local Government.

Ngwathe Municipality in common with all Institutions in South Africa in the Public and Private Sectors, is aiming to fulfil its obligations in terms of:

- Labour Relations Act no. 66 of 1995
- Basic Conditions of Employment Act no. 75 of 1997
- Employment Equity Act no. 55 of 1998
- Skills Development Act no. 97 of 1998
- Any relevant SA Local Bargaining Council Collective Agreement

## **5.2. Operational Context**

The Operational Context at Ngwathe Municipality is encapsulated in our Municipality Integrated Development Plan, which orients our District Planning towards the Development, and in terms of which strategies and needs have been prioritised.

In compliance with Section 35 of the Systems Act, these strategies guide and inform all planning and development at Ngwathe Municipality and all decisions with regard to planning, management and development, in particular this Voluntary Separation Policy.

## **5.3. INTEGRATION OF EXISTING INSTITUTIONAL ARRANGEMENTS**

Ngwathe Municipality shall integrate its existing Institutional Arrangements in preparation for any offer of Voluntary Separation. This shall include but not be limited to:

- Revision of job descriptions and role profiles;
- Identification of key posts in performing our core business and fulfilling our Integrated Development Plan;
- Identification of Key Skills required for the core business and fulfilling our Integrated Development Plan;
- Updating of our Employment Equity Policy and Plan, Municipality-wide and by department;
- Revision of our Human Resource Strategies, Policies, Plans and Forecasts, including but not limit to:
  - Staffing plans per department;
  - Summaries of and forecasts of leave to be taken (annual; study etc.);
  - Accrued leave and forecast costs;

- Reports on staff trained and the competencies acquired;
  - Training Plans;
  - Competencies per department with a particular focus on the scarce skills and institutional memory;
  - Performance Management System, including any assessment of staff performance for;
  - Assessment of merit/potential of all staff, including their suitability matched against the inherent requirements of revised job descriptions and role profiles; and
  - Coaching and mentoring strategies: in particular, attention should be given to matching coaches/mentors (with skills and institutional knowledge) with coaches / mentorees (requiring skills and institutional knowledge).
- Risk assessment of any potential disruption to core business and/or service delivery in terms of the Integrated Development Plan.

#### **5.4 INTEGRATION OF EXISTING EMPLOYEES**

Ngwathe Municipality shall integrate its existing employees with the needs of its core business and with the delivery of its Integrated Development Plan, by completing:

- A summary of needs and a matching of employees to those needs;
- Succession Plans per Department in accordance with the Succession Planning Policy; and
- A gap analysis of actual versus required employees.

## **5.5 STRATEGIC AND TACTICAL PLANNING**

Ngwathe Municipality shall assess all of the information gathered in terms of clauses 4 and 5 above and engage in strategic and tactical planning on the needs of the core business and the Integrated Development Plan (clause 3.2) within the context of Ngwathe Municipality's obligations in terms of clause 3.1.

6. Ngwathe Municipality shall, after such assessment, produce an estimate of the skills and people required versus summary of skills and people actually in place; this shall be accompanied by a comparison of budget available for service delivery versus budget absorbed by staff costs. It shall also include a projection of the enhanced service delivery possible should staff costs be optimised.
7. Ngwathe Municipality, after considering all of the information enumerated and the performing of all the planning required, shall produce a schedule of positions/and/or persons in respect of which to whom offers to apply for Voluntary Separation may be considered.

## **8. PREROGATIVE**

Ngwathe Municipality retains the prerogative to accept or reject applications for Voluntary Separation, in line with its operational requirement.

The decision of Ngwathe Municipality in this regard shall be final and not open to appeal.

## **9. ASSIGNING OF RESPONSIBILITY**

The Municipal Manager will be the custodian of the Voluntary Separation Offer on behalf of the Council, including the negotiation of exit with prospective applicants.

Accountability for the management of the Voluntary Separation Process will reside with the Chief Finance Officer.

## **10. SELECTION CRITERIA FOR DETERMINING THE ELIGIBILITY OF APPLICATIONS**

Ngwathe Municipality will determine the eligibility of an application in accordance with the following factors:

- Operational requirement;
- Institutional knowledge of the applicant;
- Employment Equity Planning criteria;
- Succession Plans; and
- Age of the applicant.

## **11. COMMUNICATION OF THE OFFER OF VOLUNTARY SEPARATION TO STAFF**

Once authorised by the Council, the Municipal Manager will communicate the details of the offer to Section 57 Managers.

Section 57 Managers will be responsible for communicating the details of the offer to all staff under their control.

The details of the offer will be captured in the form of a communication script which will be used throughout the communications process.

Section 57 Managers will confirm, in writing to the Municipal Manager that this process has been completed.

## **12. DURATION OF OFFER**

Any offer to apply for Voluntary Separation will be for a prescribed period, clearly stated in the written offer.

No extension to the period of the offer will be made unless authorised by the Council.

## **13. APPLYING FR VOLUNTARY SEPARATION**

Staff interested in applying for Voluntary Separation will be required to complete a Voluntary Separation Application Form, obtainable from Section 57 Manager.

Section 57 Managers, on receiving such an application, will ensure that the applicant fully understands the consequences of this action and will provide clarity and confirmation on the following details, as they pertain to the applicant:

- ♦ Current remuneration;
- ♦ Current benefits;
- ♦ Likely amount of the package to be offered;
- ♦ Implications of accepting the package in terms of:
  - Taxation;
  - Pension; and
  - Medical Aid



Section 57 Manager will explain that the prerogative for accepting or not accepting an application resides with Ngwathe Local Municipality.

#### **14. DETERMINATION OF PACKAGES**

Any proposed package must take into account the following factors:

- Calculation of the number of weeks salary payable per full year of service;
- Contractual notice pay;
- Value of annual bonus, calculated on a pro-rata basis;
- Annual leave benefits accrued;
- Sick leave benefits accrued;
- Compliance with Pension Funds rules; and
- Loans outstanding

#### **15. PROCESSING OF APPLICATIONS FOR VOLUNTARY SEPARATION**

In determining the eligibility of an application for Voluntary Separation the following principles will apply:

- No applicant may be pressured or coerced into either submitting or withdrawing an application; and
- Applications, when submitted, are to be without prejudice, regardless of Ngwathe Municipality's decision regarding that application.

## 16. ACCEPTANCE OF AN APPLICATION FOR VOLUNTARY SEPARATION

If the municipality accepts an application from a member of staff for Voluntary Separation, the member of staff must sign a written agreement stating that:

- Their employment with Ngwathe Municipality is to be terminated on a voluntary basis as set out in the Policy of Voluntary Separation;
- That they have been made fully aware of the Voluntary Separation process and the consequences of following the process;
- That they accept the terms of the offer (i.e. the 'package');
- That they have been given due notice of termination; and
- That the terms of this agreement are confidential and binding on both parties.

## 17. AUTHORITY

Formulation Policy	:	Municipal Manager
Authorisation Policy	:	Council
Ownership and Maintenance Manager	:	Director Corporate Services