1. POLICY STATEMENT

The Municipality recognizes that its Human Resources is its most valuable asset. A great deal of time and money is invested in the recruitment and development of employees and therefore every effort should also be made to recruit and retain staff and especially those with already developed scarce skills.

It is the responsibility of the employer to determine the strategic and operational needs of the organization. The Employer needs to identify the critical skills shortages and how to attract individuals who have the skills required to achieve the turnaround strategy of Council and retaining those individuals once appointed.

2. OBJECTIVES

The Scarce Skills Policy aims to:

- Identify scarce skills within local government sector and in particular within the Knysna Municipality.
- Guide the recruitment of individuals with scarce skills;
- Introduce mechanisms to retain the employees with the scarce skills after appointment by inter alia implementing an allowance to retain their services.

3. DEFINITION

Scarce Skills are disciplines and fields of occupations where the Municipality finds it difficult to attract, recruit and retain staff.

4. FUNDAMENTAL PRINCIPLES

The scarce skills and retention Policy is based on the following fundamental principles –

- It is the responsibility of the employer to identify fields or disciplines of fields where the Municipality finds it difficult to attract, recruit and retain staff;
- the Municipality must demonstrate difficulty in attracting and retaining critical expertise in certain fields/jobs due to the limitations set by the collective agreements on salaries, job evaluation, regulations on upper limit of remuneration packages payable to Municipal manager and managers directly accountable to Municipal manager and the categorization of municipalities;
- the Scarce Skills Policy and its implementation must be fundamentally aimed at identifying (within the context and environment of Knysna Municipality) those critical skills shortages, attracting individuals who have the skills required and retaining those individuals once appointed; and
- it is the responsibility of the Municipality to develop and retain especially those local employees who have skills that are scarce and in high demand.
- In order To enable the employer to adhere to the requirements of the Employment Equity Act to ensure representation of previously disadvantaged groups in all occupational categories, it is necessary to take unusual steps to identify, develop and retain individuals that will relieve the critical skills shortages in the long run and will ensure appropriate representation within all occupational categories and levels in these fields.
- it is the responsibility of the Municipality to identify and develop internal employees who possess the potential, to be trained or developed to meet the required needs for scarce skills.
- Measures that deal with the attraction and retention of scarce skills must aim to address the problem in the short term and in the long term.
- The scarce skills and retention policy needs to be reviewed on an annual basis to ensure that the identification, attraction and retention of individuals with the skills that are in need are updated and therefore relevant at all times.
- A prerequisite for the retention of scarce skills is that the necessary support in terms of backup, personnel and systems is in place to enable them to perform their duties adequately.

5. **IDENTIFYING SCARCE SKILLS**

It is the responsibility of Council to identify certain posts and/or occupational categories affected by scarce skills challenge. Directors shall, in consultation with Human Resources, identify occupational groups affected by a scarce skills challenge using all of the following criteria:

5.1 the turnover rate of employees in a particular occupation must be significantly above the turnover experienced in the Municipality;
5.2 the inability of the departments to meet the demands of the tasks or the technical requirements defined by the tasks;
5.3 the duration of the skills shortfall that cannot be accommodated from within departmental staff;
5.4 high vacancy rate;
5.5 the demand for particular skills exceeds the supply;
5.6 there must be a shortfall for the identified skill in the local, provincial and national government market;
5.7 vacancies in the identified field or occupational category should be proven to be difficult to fill;
5.8 the skills must require an advanced knowledge in a field, science or discipline obtained through formal studies and or the skills need specialized instruction and or years of service or experience;

5.9 the skills knowledge experience must be critical to a specific project and or service; and

5.10 reasons factors given by employees with scarce skills for leaving the service of the Municipality.

5.11 In the case of managers directly accountable to municipal manager, the determination of skills scarcity may take into account the number of eligible applications, the number of eligible candidates that were identified during the recruitment of the incumbent in the post, and the skills scarcities relating to the functional departments accountable to that particular senior manager.

5.12 List of all occupational groups which meet the above criteria must be submitted to the Director Municipal Manager who in consultation with Human Resources will designate the occupational groups as falling in the category of “scarce skills” and must be approved by the Municipal Manager.

5.13 All occupational groups determined in terms of clause 5.11 above shall be reviewed every twelve (12) months to allow for the relevant adjustments, based on changing trends and to confirm whether the occupations remain scarce.

6. REWARD STRATEGY FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

6.1 SHORT TERM SOLUTIONS FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

The municipality is experiencing difficulty in attracting and retaining the services of individuals from designated and non-designated groups with scarce skills due to the obligation the employer has to adhere to the collective agreements regulating the salary scales and evaluation of jobs of occupations / designations within the municipality.

6.1.1 Occupational groups, designations and individual cases identified in terms of clause 6 above may be rewarded at a different rate / salary to attract and retain their skills and the reward can be in one of the following ways:

6.1.1.1 A scarce skills allowance to be paid to the individual as set out in clause 8 below; or

6.1.1.2 Increase in guaranteed pay subject to the maximum of the pay range; or

6.1.1.3 Any other method recommended or agreed upon

6.1.2 Housing could be identified and reserved for occupation by employees identified in the fields of scarce skills. The Municipality should find a solution to address the middle income housing problem as a high property process in the Knysna.
**Municipal area can be a contributing factor to the municipality’s inability to attract and retain scarce skills.** The municipality should find a solution to address the middle income housing problem as high property prices in the Knysna Municipal area can be a contributing factor to the municipality’s inability to attract and retain scarce skills.

6.1.2.1 Housing could be identified and reserved for occupation by employees identified in the fields of scarce skills. Housing can be identified and reserved for occupation by employees identified in the fields of scarce skills. Preference should be given to employees with scarce skills in the policy guiding the allocation of staff housing.

6.1.2.2 They would be required to pay market related rent to occupy the houses.

6.1.2.3 Occupation of the houses should be directly linked to the scarcity of their skills. A contract should deal with the occupation and reasons for vacation of the house should the employee leave the services of Knysna Municipality or should they apply for a position for which no scarcity of skills exists or should the particular skill no longer be regarded as scarce in the re-evaluation process.

6.1.3 Depending on the critical status of the skills needed appointing a consultant on a short term basis to ensure the successful completion of a project / task could be considered.

6.2 LONGER TERM SOLUTION FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

The municipality is experiencing difficulty in attracting and retaining the services of individuals from designated groups due to the high demand in the local and international market for these individuals and/or the prolonged course of study / years of service required for a specific designation / occupation.

6.2.1 Learners who have the intention of studying the fields identified to be in high demand or which requires a prolonged course of study should be identified at High schools at an early stage to ensure that their subject choices support the study fields. Learners who has the intention of studying the fields identified to be in high demand or which requires a prolonged course of study should be identified at High schools at an early stage to ensure that their subject choices support the study fields.

**Commented [MB1]: This should be done at the annual review.**
stage to ensure that their subject choices supports the study fields. Provision of conditional bursaries for qualifying learners who wish to pursue studies in a field that has been identified as a scarce skill for at least 3 consecutive years.

6.2.1.1 Such identified learners could be offered bursaries to enable them to study in the various identified fields with an obligation to work for the municipality after obtaining their required qualifications for the number of years they received a bursary.

6.2.1.2 A Bursary fund should be put in place to which a designated amount is allocated by the municipality and to which members of the public and organizations can contribute and for which funds can be raised.

6.2.1.3 Learners who leave the employment of the municipality before they have worked back the years they received a bursary should be obliged to pay an amount proportional to the years they received and the years worked in the bursary fund referred to in 6.2.1.2 above designated for the training of learners in the fields identified as scarce.

6.2.1.4 Graduates employed in terms of this provision shall be offered an internship program on a 2-year contract basis and being remunerated at R8000.00 per month commensurate with the number of years that they have studied, with no eligibility for a scarce skills allowance during that time.

6.3 The municipality must ensure that in consultation with the LGSETA Internships in fields that have being identified as scarce are identified and funded / supplemented through the Skills levy paid by Knysna Municipality in terms of its obligations under the Skills Development Levies Act.

6.3.1 The municipality must ensure that these internships are taken up and implemented to enable the municipality to attract individuals at an early stage in fields of scarce skills and where experience is a necessity for the performance of a function / job.

6.3.2 Individuals who formed part of an internship should be accommodated by providing time off to obtain the necessary qualifications in the fields identified.

6.3.3 Individuals who formed part of an internship program at Knysna Municipality should be given preferential treatment when they apply for jobs after finishing their internship.

6.4 Internal employees who have demonstrated a desire to qualify themselves in fields where a scarce skill exists should be identified.
6.4.1.1 Such identified employees should be offered bursaries to enable them to study part time in the various identified fields with an obligation to work for the municipality after obtaining their required qualifications for the number of years they received a bursary.

6.3.1.2 Funds for these bursaries can be obtained from the same fund referred to in 6.2.1.2 above.

6.3.1.3 Employees who leave the employment of the municipality before they have worked back the years they received a bursary should be obliged to pay an amount proportional to the bursary they received and the years work into the bursary fund referred to in 6.2.3 below designated for the training of the learners / individuals in the fields identified as scarce.

6.3.1.4 Employees who are studying part time have to be accommodated to enable them to attend classes and exams where necessary during work hours.

The Municipality must put measures in place to ensure a transfer of skills by employees with scarce skills takes place during their employment with the municipality by putting a mentoring program in place. This will also ensure that a sustainable pool of individuals is established for future use. Proposals and submissions in this regard must be obtained from the directors who have identified the scarce skills within their directorates.

7.1 The scarcity allowance must be re-evaluated on a bi-annual basis to allow for adjustments, based on changing trends and to confirm whether the posts and/or occupational groups originally affected by a scarce skills challenge remain scarce.

7.2 Should a skill no longer be identified as scarce in terms of the criteria as set out in clause 6.3 below designated for the training of the learners / individuals in the fields identified as scarce, by the Municipal Manager, the allowance will be no longer be applicable to any new appointments in that occupational group or field.

8 PAYMENT OF SCARCITY ALLOWANCE

8.1 FACTORS THAT INFLUENCE THE SCARCITY ALLOWANCES

The payment of a scarcity allowance should enable the municipality to attract and retain scarce skills within its budgetary constraints.

8.1.2 Managers requesting a scarcity allowance to be paid for a specific post should submit a motivation to their HOD.

8.1.3 HOD recommendations to be submitted to human resources. Human Resources will make a recommendation to the Municipal Manager for approval taking into account the list of Council approved scarce skills each year.

8.1.4 A (non-pensionable) scarcity allowance calculated at the following % of an employee’s annual basic salary, may be payable:

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<th>TASK Level</th>
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8.1.4 The scarcity allowance will be implemented on the first notch of the T level salary scale irrespective of what level the employee is current on.  

8.1.5 Senior managers will only be granted a scarcity allowance under on council approval under a separate council item to be submitted to council for exceptional circumstances.

8.1.6 All normal recruitment processes must have being exhausted before a motivation is submitted for the payment of a scarcity allowance.

8.1.7 Allowances should allow for both the possession of skills and extent of the utilization of those skills in the general performance of duties.

8.1.8 An employee who is in possession of relevant additional superior qualifications, which makes such a candidate suitable for succession planning, may also be paid an additional allowance as a retention allowance subject to the proviso that the total of both allowances must not exceed a maximum of 1620% in order to ensure retention within the Municipality.

9 PAYMENT OF A HIGHER SALARY WITHIN A RANGE

9.1 The municipality is bound by collective agreements relating to job evaluation and salary scales which provide for the appointment of external candidates on the starting notch/salary of a specific post. The municipality can offer an individual a commencing salary within the range of the scale.

9.1.1 When external candidates are appointed they may be offered a commencing salary between the minimum and high point pay range based on the candidates experience, knowledge, competence and scarcity of the skill he / she possesses.

9.1.2 To counter offer on current employees, Municipality may, in addition to paragraph 8, be offered a commencing salary between the minimum and high point pay range of a specific post.

9.1.3 The range mentioned in 8.1 above must be approved by the Municipal Manager. The Municipal Manager must, in considering a recommendation in 8.2 above, take into account a candidate’s experience, knowledge, competence and the scarcity of the skill such a candidate possesses.

10 STAFF RETENTION CRITERIA AND PROCEDURES
In an effort to retain highly qualified and skilled employees any or all of the following criteria and responsibilities should apply when considering targeted allowances:

10.1 the employee must receive a *bona fide* offer of employment from another employer, which offer must be in writing and includes details of the salary/remuneration offered to the employee, subject thereto that the Director recommending the retention must verify the offer and provide a concise written justification along with a copy of the offer letter;

10.2 the employee must, over and above the required qualifications, be in possession of additional superior qualifications making such an incumbent suitable for succession planning;

10.3 the recommendation must be detailed and must be in line with budgetary constraints and any other implications the recommendation could have on the department and the municipality in general; and

10.4 the motivation in 9.1 must be submitted to the Municipal Manager for final approval;

10.5 any counter offers made to the employee and which amend his/her current employment contract must be confirmed in writing and be duly accepted by the employee.