



CAPE WINELANDS DISTRICT
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CENTRALIZATION/DE- CENTRALIZATION OF FUNCTIONS AND RE-LOCATION OF PERSONNEL POLICY

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I. CENTRALISING / DE-CENTRALIZATION OF FUNCTIONS

A. BACKGROUND

1. The centralization / decentralization of functions and the associated relocation of staff is the result of the dissolution of the former Winelands and Breede River District Councils and the establishment of the Cape Winelands District Municipality (CWDM).
2. In accordance with the Generic Competencies of the Deputy Municipal Manager and Executive Directors, as contained in the "Delegation of Powers and Duties" of the CWDM, which was approved by the Council on 4 December 2003 all Heads of Department have the authority to transfer officials of the department from one geographical location to another, subject to the conditions of this Policy.

B. PRINCIPLES AND CRITERIA FOR CENTRALISING/DECENTRALIZATION OF FUNCTIONS

1. PRINCIPLES

1.1 Fundamental principle

As fundamental principle to the relocation of personnel as a result of the centralization/decentralization of functions and the associated disruption of staff's lives, the Employer argues that it should be avoided as far as practically possible and should only occur in cases where relocation is necessitated for the purposes of –

- Cost effectiveness; and
- Effective and efficient service delivery.

1.2 Collective agreement on the placement of staff

The principles set out in the Collective Agreement which SALGA , IMATU and SAMWU concluded on December 10, 2002 with respect to the placement of personnel, regulate geographic relocation and should be complied with, ie the geographical relocation of staff –

- 1.2.1 Must occur in accordance with the principle of "person follows function" - the latter meaning that employees should not be transferred from one geographic location to another when moving the functions carried out by the staff, do not necessitate such transfer.
- 1.2.2 May only occur for the next sound operational and/or economic reasons, ie, the functions of the post (s) –
 - Will be delivered in a different geographical area;

- Can be reduced and/or combined as a result of which resources inevitably must be rationalized; and
- Can be abolished in that particular geographical area.

1.2.3 May not disrupt efficient and effective service delivery, and may require geographic relocation to meet operational objectives of service delivery.

1.2.4 Must be in accordance with applicable labour laws.

1.2.5 Must occur in the following chronological sequence –

(a) Ask for volunteers;

(b) If too many employees voluntarily agree to relocate, the choice should be based on "first in, get the first opportunity"; and

(c) If too few employees voluntarily agree to re-locate, the choice should be based on the "last in, first out" principle.

2. CRITERIA FOR CENTRALIZATION/DE-CENTRALIZATION

In addition to the principles set out above, the following criteria should be used to determine which functions should be centralized or de-centralized:

Centralising

1. Economies of scale
2. Coordination of functions
3. Control measures

De-centralising

1. Service (taking into account proximity to customer base)
2. Cost of centralization
3. Availability of office space/ accommodation
4. *Multiple locations for staff due to operational reasons (see definition)

*DEFINITION OF MULTIPLE LOCATIONS

"Multiple locations are required when an employee is permanently deployed at more than one predetermined location and at predetermined days of the week within the area of the CWDM on a permanent basis for operational purposes, because such an employee's physical presence at such predetermined locations is a prerequisite for continued service delivery (eg it is required that the employee should be working at the Stellenbosch office on Mondays, Wednesdays and Fridays, and at the Worcester office on Tuesdays and

Thursdays on a permanent basis as determined by consideration of effective service delivery).

BUT WILL EXCLUDE –

Employees who are permanently deployed at a specific location and who are expected to be present at other locations of the CWDM on an ad hoc basis in the normal course of business of the CWDM".

3. OBJECTION PROCEDURES

Where an employee is identified for relocation, such employee shall be entitled to lodge an objection to relocation by using the following procedure –

- 3.1 The objection must be lodged in writing within 14 days after the employee has been informed in writing of his/her relocation, to the Head of Department;
- 3.2 The Head of Department considers the employee's objection and within 7 days from the receipt of the objection informs the employee in writing of the outcome of the consideration of his/her objection; and
- 3.3 Where the employee is not satisfied with the results referred to in clause 3.2, he/she is entitled within 14 days of receipt of written notice from the Department Head's decision to appeal the Department Head's decision to the Municipal Manager or his authorized delegate.

II. RELOCATION OF STAFF

A. BACKGROUND

The principles of the relocation of staff has been prepared taking into consideration -

- WECLOGO guidelines for Relocation contained in Circular No. 126 of 2003; and
- The resettlement policies and procedures of other municipalities.

B. COUNCIL'S LIABILITY FOR RELOCATION COSTS

In accordance with clause 8.5 and 8.6 of the Collective Agreement –

- *Should the Council reimburse employees for the cost of transportation of the household goods of the staff to be redeployed geographically and change their place of residence to be closer to the new workplace;*
- *Can the Council negotiate on the reimbursement of travelling costs, based on sound economic principles.*

NB: Councils are under no obligation to compensate staff for additional travel costs incurred by personnel who decided not to relocate, but the employer may, however, negotiate about compensation. Although not specifically

mentioned in clause 8, geographic relocation must be reasonable, and it would be unreasonable if the Council do not consider the financial detriment of staff, who due to personal circumstances, cannot relocate.

C. APPLICATION OF POLICY

1. This policy will only apply to employees who have been identified for permanent redeployment at another location, whether such employees were identified on or after the effective date for resettlement.
2. The policy will take effect from the date determined by the Council.
3. Employees will have to enter into individual agreements with the Municipal Manager or his authorized delegate.
4. Employees have two options: either –
 - To relocate closer to their new workplace; or
 - Not to relocate and to travel daily to and from work.
5. The option to relocate will apply be for a period of two years from the date of implementation of the policy after which it will be forfeited.

D. RELOCATION COSTS

The following relocation costs will be paid to employees who opt to relocate.

1. PURCHASE OF PROPERTY BY EXISTING HOME OWNERS

A once-off payment will be made to employees who relocate, and the following actual costs related to resettlement will be taken into account to determine the amount payable to each individual employee, based on a maximum amount of R65 000.00 per employee –

- Transfer fees;
- Transfer fees payable to attorneys;
- Mortgage registration;
- Cancellation of bond;
- Agent fees payable by employee to agent when he/she sell his/her house, to the maximum allowable percentage in accordance with the requirements of the Council of Estate Agents;
- Telephone connection fees;
- Municipal connection fees (excluding deposits);
- Furniture removal (two quotations must be submitted);
- Reimbursement of prepaid duplicated school fees unless paid back by previous school;
- School uniforms; and
- Curtains up to a maximum of R5 000.00.

(In terms of section 10(1)(nB) of the Income Tax Act, 1962 (Act 58 of 1962) is compensation by employers for these expenses exempted from tax.)

PROVIDED THAT –

- (a) Evidence of expenditure by way of supporting invoices, receipts and quotations have to be submitted; and
- (b) If the employee within 24 months after he/she received compensation as provided above, leave the service of CWDM due to resignation/misconduct, he/she will be liable to a pro rata refund of the amount calculated on a 24 -month basis, excluding employees within such 24 -month period who are transferred from one sphere of government to another.

2. RENTAL OF PROPERTY BY AN EXISTING TENANT

A once-off payment will be made to employees who relocate and the following actual costs related to resettlement will be taken into account to determine the amount payable to each individual employee, up to a maximum amount of R25 000-00 -

- Legal fees for drafting a lease agreement;
- Telephone connection fees;
- Municipal connection fees (excluding deposits);
- Furniture removal (two quotations must be submitted);
- Reimbursement of prepaid duplicated school fees unless paid back by previous school;
- School uniforms; and
- Curtains up to a maximum of R5 000.00.

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3. EXISTING TENANT BUY PROPERTY AFTER RELOCATION

A once-off payment will be made to employees who relocate and the following actual costs related to resettlement will be taken into account to determine the

amount payable to each individual employee, up to a maximum amount of R25 000-00 –

- Telephone connection fees;
- Municipal connection fees (excluding deposits);
- Furniture removal (two quotations must be submitted);
- Reimbursement of prepaid duplicated school fees unless paid back by previous school;
- School uniforms; and
- Curtains up to a maximum of R5 000.00.

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E. TRAVEL AGREEMENT

Where employees choose not to relocate referred to in clause 1.4, the CWDM will provide official transport and all tolls paid to and from the workplace, at no cost to the employees subject to –

1. Such employees must work normal office hours and must travel outside such hours.
2. Employees will commute with the official transport provided that if they at the office where they are placed need transportation to perform their official duties they, where practical possible, make use of the official transport provided by the office where they are placed, or, if not possible, to make use of their private motor vehicles, subject to clause 3 below.
3. If extraordinary circumstances or overtime necessitated an employee to use his/her private vehicle on a particular day, such an employee will be reimbursed for travel costs, depending on the specific conditions of employment relating to such compensation that apply to individual employees, subject the fact that the Head of Department's prior written consent is obtained.

4. Council approval will be granted to employees who receive transportation allowances, not to use their scheme vehicles for official purposes or to not have it available.
5. An employee's transport privileges contained in the agreement that has been concluded for this purpose, be a condition of employment "in person to incumbent" and will only expire at the end of his/her services.