

PIXLEY KA SEME DISTRICT MUNICIPALITY



CONSULTANTS REDUCTION POLICY PLAN

Approved by the Council on:

28 MAY 2026

OBJECTIVE:

The objective of this plan is to reduce the dependence on consultants.

RELIANCE:

The Pixley-ka-Seme District Municipality is dependent on external consultants due to a lack of resources.

The following resources impacts on the capability of the municipality to be self-sufficient and to limit the use of external consultants:

HUMAN RESOURCES:

The current staff establishment does not provide for the appointment of specialists in the various fields of local government competencies. This specially refers to the appointment of an experienced GRAP-compliant annual financial statements (AFS) compiler.

The municipality is dependent on the external public works programme to fill gaps on lower levels of the staff establishment.

The high overtime expenditure is also a further indicator of a lack of staff capacity.

Various small contractors are being appointed through supply chain management processes to fill gaps in the administration and to execute essential tasks.

The creation of one senior post will have to be funded through the freezing of several labour posts and the lower labour vacancy rate are already under pressure.

STRUCTURAL RESPONSIBILITIES:

The managers appointed in terms of the organizational structure is responsible to manage the various existing works daily. They are overloaded with administrative work and compliance matters. They don't have the time and is not fully equipped in terms of their experience and professional training to act as a consultant for the municipality.

They will also not be covered in terms of the current insurance policy of the municipality for professional failures. The insurance policy will have to be extended to include professional indemnity insurance.



LIMITED BUDGET:

The municipality's budget is already under tremendous constraint and cannot accommodate the funding of additional posts. The high cost of employment is detrimental to the maintenance and operating budget and places a huge burden on service delivery.

UPPER LIMITS AND TASK JOB LIMITS:

The upper limit of municipal remuneration is not market related compared to the remuneration of professional people in the private sector. The municipality experience a serious challenge to attract and retain staff in professional fields of management and it will be much more difficult to appoint professional people for the achievement of specific objectives such as drafting tender specifications for bulk services projects; managing such projects and be accountable and taking the risk associated therewith.

In many instances, more than one specialist is needed to draft tender specifications for a single project, such as civil-, structural- and electrical engineering, planners, environment specialist and planning designers/ architects to plan, design and construct a sewer plant or water purification works. There will have to be a huge hike in upper limits to appoint professionals in the various fields.

OFFICES AND EQUIPMENT:

Additional office space will be needed and the municipality's capital budget is insufficient to accommodate this. There is also no grant funding for the construction of office space.

Furthermore, offices for certain professionals must be equipped with specialist equipment such as designer tables, designer's software, plan printers, laboratories, testing equipment and various other.

SYSTEMS AND PROGRAMMES:

There are several systems and programmes that the municipally need to maintain to render a cost effective, efficient, and reliable service and to be compliant with legislation.

The current systems entail:

- GIS.
- Service delivery and budget implementation.
- Performance management.
- Risk management.
- Compliance management.
- Document management and workflow.

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- ICT and software licenses.
- Complaints management.

JUSTIFICATION:

The use of consultants is currently non-negotiable for the municipality as it is of utmost importance to ensure service delivery and execute construction work of essential services.

We, however, recognize that any decision to employ consultants or any other external professional service must be fully justified, the procurement properly conducted, the assignment managed effectively, and the costs recorded.

Consultants are only used as and when the strategy, structure, management, or operations of the specific department is under pressure to fulfil its mandate and render basic services.

We endeavor to use consultants outside the 'business-as-usual' environment when in-house skills are not available, and it will be time- limited. Such consultancy services are expected to either provide additional skills or expertise which are not available within the municipality and are engaged to carry out activities such as investigating problems, providing analysis or advice, or assisting with the development of new systems, new structures, or new capabilities within the organization and to prepare specifications and manage construction of essential services and works.

In some areas of normal daily administration consultancy engagement is seen to be appropriate when:

- Internal capacity is unavailable to undertake a new area of work.
- Internal capacity is lacking due to a resignation and for the recruitment and training period as such, for instance where a specific system or programme is utilized.
- Independence/objectivity is required and cannot be provided within the municipality.
- Specialist knowledge or expertise is unavailable internally.
- Legislative requirement where a directive is required to be complied with arising from legislation or due to compliance.

SKILLS TRANSFER:

Skills transfer can only be applicable as and when there is internal capacity to be trained and utilized in future. We endeavor to always consider the potential for transferring skills, but it will be limited to areas where capacity exist.

Where skills transfer is not considered practical or appropriate, it will be recorded as such.

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REDUCTION OPTIONS:

When the municipality do not have any form of oversight competency that can manage, guide or control the utilization of external consultancy for the execution of their mandate in a specific field of expertise the municipality will endeavor to get assistance from Provincial and National Government departments to take sole responsibility for the execution of such specialty engineering fields and/or construction projects where it will not impact on existing infrastructure, operational and maintenance functionality;

- Implement a shared services model within the district for professional services.
- Constantly inform other spheres of government on the cost of compliance and the unnecessary detail needed to comply with legislative requirements.
- Appoint competent staff.
- Annually evaluates the staff structure to establish opportunities to extend and fill vacant posts and provide for new posts. The Budget Steercom will annually during the budgetary process consider the annual management report on the appointment of consultants to decide on replacing consultants with full time staff.



EXECUTIVE MAYOR

DATE APPROVED:

28 MAY 2026

RESOLUTION:

R 2026-05-28 (19.12)

