

MOHOKARE LOCAL MUNICIPALITY

HUMAN RESOURCE  
COUNCILLOR  
REMUNERATION  
POLICY

2017/2018

## INTERNAL POLICY

<b>MOHOKARE LOCAL MUNICIPALITY</b>	
<b>SUBJECT:</b> COUNCILLOR REMUNERATION POLICY	<b>POLICY NO:</b> HRM 108
<b>LAST REVIEW DATE: 30 JUNE 2016</b>	
<b>CURRENT REVIEW DATE:</b>	<b>COUNCIL ITEM:</b>
<b>EFFECTIVE DATE: 01 July 2016</b>	
<b>MUNICIPAL MANAGER:</b>	
<b>MAYOR:</b>	

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## 1. PREAMBLE

The salary and allowances of a member of a municipal council is determined by that municipal council by resolution of a supporting vote of a majority of its members, in consultation with the member of the Executive Council responsible for local government in the province concerned, having regard to the upper limits as set out hereunder, the financial year of municipal councils, and the affordability of municipal councils to pay within the different levels of remuneration to councillors.

For purposes of implementing this Government Notice, “in consultation with” means that municipalities will require the concurrence of the member of the Executive Council responsible for local government in the province concerned before implementing the provisions contained herein, including the tools of trade.

Section 109A of the Local Government: Municipal Systems Act (Act 32 of 2000) provides that “a municipality may, subject to such terms and conditions as it may determine, provide an employee or councilor of the municipality with legal representation.

## 2. DEFINITIONS

In this Schedule, unless the context otherwise indicates, a word or phrase to which a meaning has been assigned in the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) (hereafter "the Act") and the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

“**Basic Salary**” means the component of the salary that excludes a travel allowance, housing allowance, municipal contribution to a pension fund and the municipal contribution to a medical aid scheme as provided in items 9(1), 9(2), 12(1) and 12(2) of the government gazette No. 40519 of 21 December 2016;

“**Damarcation Act**” means the *Local Government: Municipal Damarcation Act, 1998*(Act No. 27 of 1998)

**“Existing Municipality”** in relation to the 40519 Notice, it means a municipality that existed prior to the 2016 local government elections which was not affected by the boundary re-determination that only came into effect at the commencement of the first election of the new council of that municipality

**“Full-time councillor”** means a councillor who has been elected or appointed to an office which has been designated as full-time in terms of section 18(4) of the Structures Act;

**“Grade”** means the grade of municipal council as determined in terms of item 4;

**“Out of pocket expenses”** means actual and necessary expenses incurred by a councillor which have been specifically authorised or which are provided for in terms of the municipality’s policy, in connection with a specific official or ceremonial duty which has been delegated to the councillor in question;

**“Part-time councillor”** means a councillor other than a full-time councillor;

**“Special risk cover”** means an insurance cover, provided to a councilor by the municipality, which covers the loss of or damage to a councillor’s personal fixed or movable property and assets, excluding property used by such councilor for business purposes , as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder

**“Section 79 committee”** means a committee of the municipal council established in terms of section 79 of the Structures Act;

**“Tools of trade”** means the resources provided by a municipal council to a councilor to enable such a councillor to discharge his or her duties in the most effective and efficient as well as in the most cost effective manner, and at all times remain the assets of the municipality concerned;

**“Total municipal income”** means gross income in respect of a metropolitan, local or district municipality based on actual income received as stated in the audited financial statements of that municipality for the 2013 / 2014 financial

year. The gross income for the municipality will include the following:

- rates on property;
- fees for services rendered by the municipality, or on its behalf by a municipal entity;
- surcharges;
- other authorised taxes;
- levies and duties;
- income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
- regional services council replacement grant for district municipalities;
- interest earned on invested funds other than national and provincial conditional grants;
- rental for the use of municipal movable or immovable property; and
- amounts received as agent for other spheres of government.

The gross income will exclude the following:

- transfers and / or grants from the national fiscus; and
- all value added tax (VAT) refunds.

**“Total population”** means the official statistics of the population residing in the area of jurisdiction of a metropolitan, local or district municipality, as determined by the Statistician-General for the 2011 Census, in terms of the *Statistics Act, 1999* (Act No. 6 of 1999); and **“total remuneration package”** is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 10(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a) and the municipal contribution to a medical aid scheme as provided in item 13(b) to a councillor in a municipal financial year.

**“Total remuneration package”** means the annual total cost to a municipality of a basic salary component, housing allowance, municipal contribution to a pension fund and municipal contribution to a medical aid scheme payable to a councillor as provided for in items 9(1) , 9(2), 12(1) and 12(2) of the government gazette No. 40519 of 21 December 2016

### **3. OBJECTIVES AND MEASURES**

Objectives	Ensure that remuneration and benefits for the Mayor and Councilors' are consistent with legislative requirements.
Performance measures	Compliance with section 183 © of the Local Government Act 2009

### **4. POLICY STATEMENT**

The level of remuneration for the Mayor and Councillors:

1. Is to reflect the amount of time, commitment and responsibility associated with the position of Mayor, Committee Chair or Councillor and
2. Must be within the limits determined by the provisions of section 183 (c) of the Local Government Act.

Whenever a claim is made or legal proceedings are instituted against any employee/councillor of the municipality arising out of any act or deed done or omission by an employee in the performance of his duties or the exercise of his powers the municipality shall handle such claims or legal proceedings in terms of section 13 of the SALGBC Collective Agreement<sup>1</sup>.

### **5. LEGAL FRAMEWORK**

Under the powers vested in me by sections 7(1), 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), I, Pravin Jamnadas Gordhan, Minister for Cooperative Governance and Traditional Affairs, hereby-

- (a) after consultation with the Member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils.

**6. ALLOCATION OF NUMBER OF POINTS FOR TOTAL MUNICIPAL INCOME**

The number of points allocated for the total municipal income of a municipality is as follows:

TOTAL MUNICIPAL INCOME			NUMBER OF POINTS
R0	-	R 10,000,000	8.33
R10,000,000	-	R 50,000,000	16.67
R50,000,000	-	R 200,000,000	25.00
R200,000,000	-	R 1,500,000,000	33.33
R1,500,000,000	-	R 2,000,000,000	41.67
More than R2,000,000,000			50.00

**7. THE ALLOCATION OF NUMBER OF POINTS FOR TOTAL POPULATION**

THE NUMBER OF POINTS ALLOCATED FOR THE TOTAL POPULATION WITHIN A MUNICIPALITY, IS AS FOLLOWS:

TOTAL POPULATION			NUMBER OF POINTS
0	-	50,000	8.33
50,001	-	100,000	16.67
100,001	-	250,000	25.00
250,001	-	550,000	33.33
550,001	-	1,800,000	41.67
More than 1,800,000			50.00

**8. THE DETERMINATION OF GRADE OF MUNICIPAL COUNCIL**

(A) THE SUM OF THE NUMBER OF POINTS ALLOCATED TO A MUNICIPAL COUNCIL, OTHER THAN A MUNICIPAL COUNCIL REFERRED TO IN SUB-ITEMS (2), (3) OR (4), IN TERMS OF 2 AND 3 RESPECTIVELY, DETERMINES THE GRADE OF SUCH MUNICIPAL COUNCIL IN ACCORDANCE WITH THE FOLLOWING TABLE:

GRADE OF MUNICIPAL COUNCIL	POINTS
1	0 to 16.66
2	16.67 to 33.33
3	33.34 to 50.00
4	50.01 to 66.67
5	66.68 to 83.35
6	83.36 and above

(B) THE CRITERIA FOR DETERMINATION OF THE GRADING OF MUNICIPALITY AFFECTED BY THE REDETERMINATION OF BOUNDARIES IS PROVIDED FOR UNDER ITEM 18 OF THE NOTICE DEALING WITH TRANSITIONAL MEASURES.

**9. UPPER LIMITS OF THE ANNUAL TOTAL REMUNERATION PACKAGES OF FULL-TIME AND PART-TIME COUNCILLORS**

REFER TO THE GOVERNMENT GAZETTE NO. 40519 OF 21 DECEMBER 2016

**10. COPYRIGHT AND INTELLECTUAL PROPERTY RIGHTS**

By accepting employment with the municipality, an employee permanently and irrevocably alienate and assign to the Municipality, without compensation of whatever nature, copyright and intellectual property rights to any work that is eligible for copyright produced by her/him in her/his official capacity during her/his employment with the Municipality.