

Refer to : **M Mothekhe**
Reference No: **4/4/1**
Extension : **8543**
Date : **14 April 2022**

SPEAKER
COUNCIL ITEM

REQUEST TO REVIEW AND ADJUST THE WARD COMMITTEE STIPEND

1. PURPOSE

The purpose of this report is to request the Municipal Council to review and increase the stipend accorded to ward committees effective from July 2022

2. BACKGROUND INFORMATION

Following the National Conference on Ward Committees in June 2003, the then Department of Provincial and Local Government (which is now called COGTA), developed guidelines for the establishment and operations of Municipal Ward Committees, and municipalities were further requested to develop ward committee policies and By-laws that suite their sphere and locality as the principle of "one size fit all" was discouraged. Mangaung then began the establishment of ward Committees after the 2006, Municipal elections and since then, ward committees had been the heartbeat of our participatory governance. Today for a period of sixteen years ward committees had been in operation. Just to mention, Mangaung municipality was amongst the first municipality to kick start this system and then also adopted provision of stipend to each ward committee member of an amount of R 1 000, which is described as an out-of-pocket expenses to assist the ward committee member to do the following, namely;

- Attend ward committee meetings using own transport to cover for such expenses namely fuel (petrol or diesel), parking, stationery, making of calls and so forth;
- Support the ward councillor in identifying and reporting critical service delivery challenges, families in need for an example, delivery of food parcels and or

assisting indigent families with their challenges; assisting the infirm, homeless, orphans or elders within the ward surrounding;

- Assisting other government departments like Home Affairs, Police and Social Services within the ward;

Comparative analysis of out-of-pocket expenses when the R 1 000 stipend started in 2006 and today's rand value due to depreciation of the rand, only two items are reflected;

April 2006		April 2022	
Octane liter of petrol	R 10, 96	Octane liter of petrol	R 21,96
Liter of Diesel	R 11,33	Liter of Diesel	R 21,01
Cellular phone costs was billed at	40 cent a minute	Off-peak costs	32 cents a minute

A brief explanation of the **inflation adjustment calculator** is as follows, namely;

January 2006 a R 1000 will be equivalent to R 2 402,88 in April 2022, this imply that;

R 1000 from January 2006 will be worth R 2 402,88 in January 2022

R 1000 in January 2022 will be equivalent to R 416,17 from January 2006.

Total increases (16 years) = 140,3%

At an annual rate increase of 5,6% since 2006 to date.

The above explanation clearly shows that the cost of living has exponentially increased and that the current stipend accorded to ward committees need to be adjusted upward to meet the out-of-pocket expenses of ward committees.

3. DELIBERATIONS

3.1.Roles and Responsibilities of Ward Committees

A ward committee:

- (1) Will create formal unbiased communication channels and co-operative partnerships between the municipality and the community within a ward.
- (2) Will ensure contact between the municipality and community through the use of, and payment for, services.
- (3) Will create harmonious relationships between residents of a ward, the ward councillor, geographic community and the municipality.

- (4) Will facilitate public participation in the process of development, review and implementation management of the Integrated Development Planning of the municipality.
- (5) Will act as advisory body on council policies and matters affecting communities in the ward.
- (6) Will serve as officially recognized and specialized participatory structures in the municipality.
- (7) Will serve as a mobilizing agent for community action.
- (8) May receive and record complaints from the community within the ward and provide feedback on council's responses.
- (9) May make recommendations on any matter affecting the ward to the ward councillor or the local council, the executive committee and the mayor.
- (10) May execute other functions as delegated by the municipality.
- (11) Ward committee members shall participate in the stakeholder cluster forum

3.2. Responsibilities of ward committee versus stipend provided and comparisons with other cities

City	Total wards	Stipend	Other benefits
Johannesburg	130	R 1000	None
Cape Town	116	R 500	None
Tshwane	105	R 1000	None
ethekwini	103	R 1 000	None
Buffalo city	50	R 2 500	None
Nelson Mandela	60	R 2 000	Get cell phone gadgets
Mangaung	51	R 1 000	None

5. LEGAL IMPLICATIONS

Since 1994, local government in South Africa has been shaped and guided by the following pieces of legislation, amongst others:

1. The Constitution of the Republic of South Africa, 1996
2. The Batho Pele White Paper, 1997
3. The White Paper on Local Government, 1998
4. Local Government: Municipal Demarcation Act, 1998
5. Local Government: Municipal Structures Act, 1998
6. Local Government: Municipal Systems Act, 2000
7. Promotion of Access to Information Act, 2000
8. Municipal Planning and Performance Management Regulations, 2001
9. Local Government: Municipal Finance Management Act, 2003
10. The Guidelines for the Establishment and Operation of Municipal Ward Committees, 2005.

All these pieces of legislation mentioned above describe the way in which local government should function, and provide the framework for how local government interacts with local civil society.

The following is a brief summary of the provisions in the local government legislation relating to community participation.

The Constitution of the Republic of South Africa, 1996 Chapter 7 (Section 152) of the Constitution sets out the objectives of local government. Public participation is an imperative of two objectives, to:

- provide democratic and accountable government for local communities,
- encourage the involvement of communities and community organizations in the matters of local government.

6. FINANCIAL IMPLICATIONS

The Mangaung municipality will incur financial obligation as a result of future or proposed adjustment. The current annual expenditure stand at R 5,4 million and the proposed adjustment of R 5,4 million per annum, and will reach a sum total of R 10,8 million.

Ward Committees do not receive remuneration, because they are not employed by the Council, rather they get what is termed an out-of-pocket expenses (stipend) incurred in their participation in the ward committee, which is further subjected to the taxation regime. After the municipal Council elections of 2006 and institutionalization of ward committees in our municipality, no increases were ever made and it took 16

years to review the stipend accorded to ward committees. Paragraph 2 above, clearly illustrates the rand value then and with corresponding comparison to the current impact in today's rand value.

7. GRANTING OF CONCURRENCE BY THE MEC OF COGTA

Ward committees do not fall within the provisions of the conditions of Service of the municipality, because they are not employed, and thus do not receive a salary. They also do not fall within the category of Public Office Bearers Act. The payment to ward committees falls within the category of an out of pocket expenses. This requires the Municipal Council to approve the report on the envisaged increases and once approved, then the MEC of COGTA in the province will be consulted to grant the municipality a concurrence. It is only after the granting of concurrence that the increases will be effected. The envisaged implementation plan date is the 01st July 2022.

8. TRAINING AND INDUCTION

The Office of the Speaker convened training of all ward committees which took place from the 2nd to the 3rd June 2022, held at the President Hotel in Bloemfontein.

9. INPUTS AND CONTRIBUTION FROM THE REMUNERATIONS COMMITTEE

The Remunerations Committee meeting held on the 22 April 2022 considered the report and made the following recommendations and proposal, namely; that the proposed adjustment of ward committee be increased by R 1000.00 against the initial proposal of R 500.00. This meaning that the current stipend of R 1000 is recommended to be adjusted to R 2000.00 after tax. Further a joint sitting of the Remunerations and Section 80 Finance committees took place on the 28 June 2022 and endorsed the stipend increase as mentioned below. The recommendation regarding the functionality of the ward committees was also aligned with the report of the Speaker, which is determined as from the 1st June 2022.

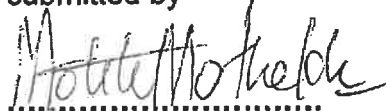
10. RECOMMENDATIONS

It is hereby recommend that it be resolved, that

- i) the Municipal Council takes note of the report;
- ii) the Municipal Council approves the commencement date of June 01, 2022, as the effective functionality date of all the ward committees;
- iii) the Municipal Council review and adjust the current stipend threshold of R 1 000 per ward committee on a monthly basis to R 2 000.00, excluding tax, starting from July 01, 2022

- iv) provision on the 2022/2023 operational budget of this increase be made in the ward committee budget vote in the office of the Speaker;
- v) that the MEC of COGTA in the province be informed and requested to grant concurrence.

submitted by



MOTETE MOTHEKHE
SECRETARIAT

Supported / Not Supported



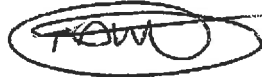
ADV NKATEKO MPANGANE
ACTING HOD: CORPORATE SERVICES

22/06/2022



CLLR. NTOMBI NHLAPO
CHAIR: REMUNERATIONS

Approved/Not Approved



MR TEBOGO MOTLASHUPING
ACTING CITY MANAGER

22/06/2022

22/06/2022



CLLR. SB LOCKMAN-NAIDOO
SPEAKER



MR ME MASEKO
NATIONAL CABINET REP

