



COUNCIL COMMITTEE REPORT: REMUNERATION AND BENEFITS

ANNUAL REPORT

DATE: NOVEMBER 2022

REPORT BY:

COMMITTEE CHAIRPERSON: CLLR NTOMBI NHLAPO

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2. COMMITTEE CHAIRPERSON REPORT



PURPOSE

The purpose of this report is to appraise the Municipal Council on the functioning and performance of the Section 79 Remunerations Committee: Remunerations and Benefits for the calendar year, 2022 and secondly to highlight achievements during the reporting period.

BACKGROUND

The Committee was established by Council resolution number 28.3 of the meeting held on the 08 December 2021. And subsequent to the Council meeting, the committee composition was finalised with political parties' representation by the middle of February 2022. The committee work started at the beginning of March and our first meeting was convened on the 17 March 2022.

We are indeed grateful to the committee members, the officials and the office of the Speaker for the support provided during the year. Without the technical support and assistance the work achieved by the committee could not have been attained. We look to 2023 year with vigour and much anticipation to achieve our set goals. And we hope that all council members will have a pleasant 2022 festive and prosperous, happy and merry Christmas.

I have the honour of submitting the Remuneration and Benefits Committee Annual Report for the period December 2021- November 2022

A handwritten signature in black ink, appearing to read 'Nhlapo', written over a dotted line.

Cllr NA Nhlapo

Council Committee Chairperson

3. THE TEAM



Front Row: Cllr NA Nhlapo (Committee Chairperson); Cllr ZN Banyane (Committee Whip)

Middle Row: Mr Smith (Committee Services); Cllr DL Malebo

Back Row: Cllr JH Denner; Mr Mothekhe (GM Committee Services); Cllr R Van der Merwe; Cllr TA Mohono; Cllr BM Thlukung; Cllr S Sefaki; Cllr MA Dintloane; Cllr L Mohlamme



Back Row: Ms Olga Lechwano (Committee Services)

4. COMMITTEE MEETING SITTINGS 2022

	Description	Date of Committee Meeting	Platform
1.	Special Meeting	17 March 2022	Physical
2.	Ordinary Meeting	22 April 2022	Physical
3.	Special Joint Meeting with Rules Committee	9 June 2022	Physical
4.	Special Joint Meeting with Finance Committee	28 June 2022	Virtual
5.	Special Meeting	23 August 2022	Physical
6.	Ordinary Meeting	28 November 2022	Physical

5. TOOLS OF TRADE FOR COUNCIL MEMBERS

As defined in the Remuneration of Public Office Bearers Act, 1998 (Act no 20 of 1998) as amended, tools of trade are the resources or enabling facilities provided by a municipal council to a councillor to enable effective and efficient fulfilment of his/her duties in the most cost effective manner. Tools of trade are listed under paragraph 15 of the Determination of Upper Limits for Councillors and they are provided to both full-time and part-time Councillors. The Committee considered Office space for ward Councillors and Laptops for both full and part-time councillors to enable effectiveness and efficiency during online meetings and communicate.

Resolved: The Remuneration Committee recommended that an amount of R1.4 million be made available on the current financial year for the procurement of laptops for Part-Time Councillors.

Committee Follow ups:

- ✓ The committee had a meeting, 23 August 2022 to follow this up after the approval of the July 2022 budget. ICT indicated that their budget was minimised even though initially they had a specific amount planned to cater for Councillors' laptops. They made few attempts requesting additional funding but it was not approved. Therefore it was difficult for their budget to cater the whole Municipality.

- ✓ The Committee requested another cheaper quote to be considered to ensure that councillors get their laptops without compromising quality.
- ✓ The committee will also consider this financial allocation in the next adjustment budget.
- ✓ ICT has therefore liaise with the Service Providers such as MTN and Vodacom, therefore the Councillors are welcomed to utilise the network of their choice and access their packages, either laptop or tablet at their own cost in the meantime.

a. OFFICE SPACE FOR COUNCILLORS

The Committee and the Office of the Speaker are working with the facilities Department to enable decent office spaces for ward councillors. The Office of the Speaker has called on councillors to identify their office spaces but the response was minimum.

Challenges raised:

- ✓ Some ward councillor's office spaces are continually vandalised. The municipality still lacks its own law enforcement for these facilities.
- ✓ Some offices infrastructure is destroyed

6. UPDATE ON THE DETERMINATION OF UPPER LIMITS OF COUNCILLORS- CONCERNS RAISED BY COUNCILLORS ON THE UNEVENNESS OF THEIR UPPER LIMITS

NOTE: *The questions to the ACM are attached below:*

Ref : 4/4/1
Date : 27 July 2022

**THE ACTING CITY MANAGER
MR TEBOGO MOTLASHUPING**

IMPLEMENTATION OF THE UPPER LIMITS FOR THE COUNCILLORS

BACKGROUND

The Municipal Council meeting held on the 30 June 2022, considered and approved a report on the Determination of Upper Limits for councillors for the 2021/2022 financial year. This report endorsed a three percentage salary increase for councillors. Implementation of this Council resolution was carried through our internal systems after obtaining concurrence from the MEC of COGTA.

**CONCERNS RAISED BY COUNCILLORS REGARDING
IMPLEMENTATION OF THE COUNCIL RESOLUTION**

Many councillors had requested to receive written reasons on many issues and are as follows;

- Why many former (5) and current councillors (13) were left out of the payment schedule?
- Why incorrect payment data or levels was used?
- What taxation schedule or regime was used, because disparities for part-time councillors had been noted? Some of the part-time councillors received different amounts?
- Do you have a different payment process for councillors and if no, why?
- Is personal information and data of councillors handled with care and credibility?
- Do you have checks and balances prior to payment of councillors and staff benefits and salaries?

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- Do you have a procedure or process regarding salary disputes and if yes, please provide a copy?
- Councillors deductions for municipal services, without them signing the concession;

Kindly take note that your response had been requested to serve in the Remunerations committee.

Regards,


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**COUNCILLOR/N NHLAPO
CHAIRPERSON OF THE COMMITTEE**

The Acting City Manager: Mr T Motlashuping highlighted the following:

- 1) That the problem started in November when the returning Councillors from the old regime continue to receive their salaries with the old upper limits and subsequently the Minister of Cogta Me N Dlamini - Zuma issued a notice that there was a 3% increment. That it affected the notch of the old and the new salaries of the Councillors.
- 2) That still, irrespective of being in the same bracket, salaries of Councillors won't be the same taking into account the different packages of Pension and Provident Fund the Councillors have taken.
- 3) That different Medical aid Schemes and their packages might have an impact in the difference of salaries amongst Councillors even if they fall under the same category or bracket.
- 4) That other discrepancies may be caused by the monies owed by Councillors to the Municipality. All the debts or monies owed to the Municipality by Councillors will always be deducted from their salaries and that will also cause the difference between their salaries.
- 5) That these concerns of salary unevenness between Councillors has been reported and sent to Risk Management to establish if it's the systems or human error.
- 6) That Councillors' salaries will always differ due to their different categories and commitments. The Mayor, Deputy Mayor, Chief Whip, The Speaker, MMC's, Section 79 Chairperson and normal Councillors will always have a huge difference in their salaries.
- 7) That the manual capturing of the returning and new Councillors might have had a negative impact on the challenge of the salaries of the Councillors especially to those who did not get their salaries at all or whose salaries was decreased by mistake. The Municipality is taking upon itself to improve the system of the payroll and make it incredible.
- 8) That the list of all Councillors who were left out was received and the matter was corrected. All the Councillors have been paid.

- 9) That the issue of some Councillors who are out but still on the payroll has been taken care of together with the allegations of the Normal Councillors who use to earn more money earned by MMC's has also been attended to.
- 10) That in the new structure, according to the discussions between the Management and Labour Law Forum, Finance and Payroll will be put under the same Department to make sure that there are proper cheques and balances within the Payroll.
- 11) That the system that the Municipality has been using is the one that has created these challenges, for instance that system will open once, twice when it is utilised but when you open it for the third time, it will not open leading to a lot of challenges including the late submissions of overtime which will be deprived to be paid on time due to the system that locks after being opened more than two times.
- 12) That this matter is being looked at and hopefully on the Committee's next meeting the Acting City Manager will give even better results of the development in this regards unlike the verbal report he is giving the Committee now.

7. WARD COMMITTEE STIPEND POLICY

The Municipal Council has approved the Ward Committee Stipend Policy as developed and recommended by the Remunerations Committee in May 2022. Ward committee stipends have been in operation in the Mangaung Metro Municipality since 2006. The office of the Speaker has been primarily managing the administration of stipends through the application of Government Gazette No. 973 of 08 October 2009 (Criteria for determining out of pocket expenses for ward committee members). This adopted stipend policy seeks to regularize the management of ward committees' stipends, putting in place standardized measures and administrative framework to promote ethical governance.

8. IMPLEMENTATION OF REVIEWED WARD COMMITTEE STIPENDS

The Municipality Council had reviewed and increased the stipends accorded to ward committee members effective from 1st July 2022. This request from the Committee had come after the realisation that the ward committee stipends have not been reviewed since 2006, the establishment of ward committees. Ward committee members are at the heartbeat of our participatory governance and since 2006, each ward committee member was still

accorded R1 000, which is described as an out-of-pocket expenses to assist them to do their work effectively and efficiently.

Resolved: The Municipality Council reviewed and adjusted the current stipend threshold of R1 000 per ward committee on a monthly basis to R2 000, after Tax.

Implementation:

1. The Municipality was supposed to have paid 510 Ward Committee Members but it only paid 494. The 26 Ward Committee Members that was left out was influenced by the SARS issues as they did not have the SARS valid tax number.
2. The other 14 were members of the PEP Project. This means that the system has rejected them as they cannot participate on both Projects. However because of the fact that the PEP Project came to an end month end of July, this means those Ward Committee Members will be paid thoroughly month end of August going forward.
3. Inconsistency with the understanding of the amount to be paid without TAX.

9. CAPACITY BUILDING: TRAINING DEVELOPMENT FOR COUNCILLORS

According to Section 15 of the Determination of the Upper Limits, The Municipality council must develop and adopt a skills development plan and personal development plan prior to any councillor undergoing training. The committee and the Office of the Speaker is still engaging with the University of The Free State, LG SETA and other relevant stakeholders to achieve this in great speed.

10. FUNERAL POLICY & SCHEME FOR MMM COUNCILLORS

Death and Bereavement of Council members had been tragic and at times challenging to process. Council would adopt a resolution, authorizing financial contribution towards the burial of members. However, a chorus of questions both internally and externally had been asked to the leadership of the City about the rationale on the financial contributions made towards funeral of councillors. It is with this background that the Committee developed a generic framework towards civic funeral guidelines at municipality level to be recommended to Council.

THE END.