

Ordinary Council (OPEN) Meeting

31 October 2024

Addendum 1:

10.

SECTION 3: CORPORATE SERVICES			
ITEM NO	SUBJECT	FIL REF	PG
C/3/250/10/24	DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS FOR MEMBERS OF MUNICIPAL COUNCILS: 2023/2024	12/2/1/3/1	3

SECTION 3
CORPORATE SERVICES

Section 3: Corporate Services

ITEM C/3/250/10/24

DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS FOR MEMBERS OF MUNICIPAL COUNCILS: 2023/2024

Portfolio Comm: Finance & Corporate Services **Demarcation:** All Wards
File Ref: 12/2/1/3/1 **Delegation:** Council

Attachments: Annexure “A”:- Government Gazette No 51407 of 17 October 2024

Report from: Municipal Manager

Author: Director Corporate Services

Date: 29 October 2023

PURPOSE OF THE REPORT

To obtain a supporting vote from Council for purposes of Implementing the Determination of Upper Limits of Salaries, Allowances and Benefits for Members of Municipal Councils for the 2023/2024 financial year, for submission to the MEC of Local Government to obtain concurrence, prior to implementation.

BACKGROUND

The National Minister of Cooperative Governance and Traditional Affairs re-determined the upper limits of Salaries, Allowances and benefits of different members of municipal Councils with effect from 1 July 2023.

1. Concurrence:

The Notice requires that the concurrence of the MEC for Local Government must be sought, once the Municipal Council has approved the implementation of the upper limits notice before the new notice may be implemented.

2. Total Municipal Income

The determination of Councillors remuneration factors in the gross income of the Municipality as per the 2022/2023 audited financial statements and will be applied in terms of the definition of the total municipal income.

3. Total remuneration package

Means the total cost of a municipality of a basic salary component, a motor vehicle allowance, housing allowance, the municipal contribution to a pension, provident or retirement annuity fund and municipal contribution to a medical aid scheme as provided under the respective items detailed in the gazette, to a councillor in a municipal financial year.

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4. Upper Limits of annual total remuneration packages (full time and part-time councillors)

Increases are limited to the maximum allowable amounts, as provided for in the notice. The upper limits of allowances of full-time and part-time councillors, that constitutes part of the annual total remuneration package; are as follows

- Motor vehicle and travel allowance
- Housing allowance

A councillor may, in line with applicable legislation, structure his or her basic salary to provide for the above as part of the total remuneration package.

5. Upper limits of allowance in respect of councillors serving in the governance and intergovernmental structures of organised government

The sitting allowance for designated councillors to serve on a governance structure or represent organised local government at any intergovernmental structure, including national and or provincial executive authorities; must not exceed R 1 214.88 per sitting and actual attendance of any meeting, irrespective of the number of meetings attended on the specific day.

Organised local government is responsible for payment of accommodation, expenses incurred in terms of its applicable policy.

6. Sitting Allowance for Councillors Appointed to the District Municipality

The sitting allowance for councillors appointed to the district, where applicable, has increased from R 1 136.32 to R1 214.88 per sitting, regardless of the number of meetings of the district council or committees of that council that are attended by such councillor on a specific day.

7. Use of Municipal Owned Vehicle

A councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Executive Mayor or Speaker, utilise a municipal-owned vehicle for official purposes; provided that the municipal council must, in line with the applicable legislation and approved municipal council policy, exercise prudent financial management to ensure that the provision of motor vehicle does not undermine the need to prioritise service delivery and sustain viability.

If a Councillor uses a municipal-owed motor vehicle for official purposes, such councillor will not be reimbursed for kilometres travelled.

8. Out of Pocket Expenses

A Councillor may, in addition to the total remuneration package, be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official or ceremonial duties, in accordance with the applicable municipal council policy.

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9. Upper limits of cellular phone and data bundles allowances

A councillor may, in addition to the total remuneration package provided for in terms of items 5 and 8 respectively, as per the gazette, be paid a cell phone allowance not exceeding R3 600,00 per month in accordance with the applicable municipal council policy and be paid an allowance on the use of data bundles not exceeding R317,00 per month.

10. Upper limits pension, provident or retirement annuity fund contributions and medical benefits

The current notice makes the membership of the pension; provident or retirement annuity fund to be optional. If a councillor elects to participate in a pension, provident or retirement annuity fund, the Municipality must deduct from his or her monthly salary, the monthly contributions to a pension, provident or retirement annuity fund to which the councillor is a member in accordance with the rules of such pension, provident or retirement annuity fund.

Participation in a medical aid scheme is optional, and the municipality must deduct from the councillor's salary the monthly contributions and pay the contributions to the medical aid scheme to which the councillor is a member in accordance with rules of such scheme.

The contributions by the municipal council and the councillor are included in a total remuneration package as a total cost to the municipality.

11. Special Risk Cover

A municipality must, in addition to the annual remuneration packages take out risk insurance, to provide for an insurance cover, provided for to a councillor by the municipality, which covers the loss or damage to a councillor's immovable or movable property and assets, but excludes property used for business purposes, as well as life and disability cover, for loss or damage caused by riot, civil unrest, strike or public disorder.

Special risk insurance on residential property is limited to R1,5 million and on vehicles its limited to R750 000. Life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

12. Tools of Trade

The tools of trade remain similar to those contained in previous notices.

Personal Security applicable to Executive Mayor, Mayor; Deputy Executive Mayor; Deputy Mayor. Speaker and Whip are limited to two bodyguards per shift of a two-shift system. Deviation from the norm may only be based on the recommendations of the South African Police Services. All other Councillors, subject to a threat and risk analysis conducted by the South African Police Services are requested.

13. Capacity building

Every municipal council must develop a policy, including a criteria and must make provision in its budget to provide for education and training of councillors.

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14. Overpayment

Any remuneration paid to a councillor that is not in accordance with section 167(1) of the MFMA, is an irregular expenditure, and must be recovered from the concerned councillor. The notice is explicit that a municipality may not write off any expenditure so incurred.

Implementation of the notice

The Municipal Manager must submit the Notice for the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils to Council for approval, where after the resolution of Council needs to be submitted to the MEC in order to obtain concurrence from the MEC.

Once the concurrence of the MEC have been obtained, the increased salaries may be implemented. The grading of Bitou Local Municipality is determined as follows:

Total Municipal Income (2022/2023)	R 531 948 232	- 33.33 Points
Total population (in terms of the 2016 survey)	65 240	- <u>16.67 Points</u>
Total Points		<u>50.00 Points</u>

Thus, Bitou Local Municipality, in terms of the determination, remains as a grade 3 municipality.

LEGAL IMPLICATIONS

The Remuneration of Public Office Bearers Act, 1998, states in Section 7, the following:

“ 7. (1) The upper limit of salaries of the different members of Municipal Councils shall from time to time be determined by the Minister, after consultation with the member of the Executive Council responsible for local government in each province, by notice in the Gazette after taking into consideration-

- (a) the recommendations of the Commission;*
- (b) the respective role, status, duties, functions and responsibilities of the different members of Municipal Councils;*
- (c) the different categories or types of municipalities, having regard to their respective powers, duties and functions;*
- (d) the gross income, the area of jurisdiction and the nature of settlement of each municipality;*
- (e) the affordability of different levels of remuneration of public office bearers;*
- (f) the current principles and levels of remuneration in society generally;*
- (g) the need for the promotion of equality and uniformity of salaries, allowances and need for the equal work performed;*
- (h) the provision of uniform norms and standards nationally to address disparities; and*
- (i) inflationary increases.*

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- (2) *Subject to the provisions of subsection (1), a member of a Municipal Council is in addition to his or her salary as a member of the Municipal Council to which he or she has been directly elected, entitled to an allowance in respect of his or her membership of any other Municipal Council, and such allowance shall be determined by such other Municipal Council by resolution with a supporting vote of the majority of its members, in consultation with the member of the Executive Council responsible for local government in the province concerned.*
- (3) *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-*
 - (a) *the provision of subsection (1);*
 - (b) *the upper limit as set out in the said notice; and*
 - (c) *the financial year of Municipal Councils.*
- (4) *The salaries and allowances of members of Municipal Councils shall annually for a charge against and be paid from the budget of a municipality concerned.*
- (5) *The salaries and allowances paid to and the benefits paid on behalf of a member of a Municipal Council in terms of a law, prior to the coming into operation of this Act, shall be deemed to have been determined under the Act.”*

In terms of Subsection 3 of the abovementioned legislation, the Municipal Council needs to determine the salary and allowances of its members in consultation with the applicable MEC of local government in the province.

Therefore, should Council resolve to implement the increase in salaries, the MEC’s written consent/permission must first be obtained before commencing with the implementation of the increases in salaries/pay-outs.

In terms of Section 167 of the MFMA:

- “(1) *A municipality may remunerate its political office-bearers and members of its political structures, but only—*
 - (a) *within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members; and*
 - (b) *in accordance with section 219 (4) of the Constitution.*
- 2) *Any remuneration paid or given in cash or in kind to a person as a political office-bearer or as a member of a political structure of a municipality otherwise than in accordance with subsection (1), including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure, and the municipality—*
 - (a) *must, and has the right to, recover that remuneration from the political office-bearer or member; and*

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- (b) may not write off any expenditure incurred by the municipality in paying or giving that remuneration.
- (3) The MEC for local government in a province must report to the provincial legislature—
- (a) any transgressions of subsection (1); and
- (b) any non-compliance with sections 17 (3) (k) (i) and (ii) and 124 (1) (a).”

FINANCIAL IMPLICATION

The remuneration of Councillors is determined annually by the Minister of the Department of Cooperative Governance, in terms of the Remuneration of Public Office Bearers Act, Act 20 of 1998.

The following table indicates the total cost to company salaries and allowances applicable as gazette:

Grade 3	No	Remuneration Package	Cell Phone and Data Allowance	Cost per Councillor	Cost to Council
Executive Mayor	1	947,990.00	47,004.00	994,994.00	994,994.00
Deputy Executive Mayor	1	758,393.00	47,004.00	805,397.00	805,397.00
Speaker	1	758,393.00	47,004.00	805,397.00	805,397.00
Whip of Council	1	385,005.00	47,004.00	432,009.00	432,009.00
Mayco Member	2	710,995.00	47,004.00	757,999.00	1,515,998.00
Ordinary Councillor	6	299,994.00	47,004.00	346,998.00	2,081,988.00
Section 79 Chairperson	1	696,710.00	47,004.00	743,714.00	743,714.00
Total	13	4,557,480.00	329,028.00	4,886,508.00	7,379,497.00

The comparative budgeted amounts are as follows:

Grade 3	No	Cost to Council as per Gazette	Budgeted Remuneration Package	Difference in Budgeted Amounts
Executive Mayor	1	994,994.00	1,082,400.00	87,406.00
Deputy Mayor	1	805,397.00	847,600.00	42,203.00
Speaker	1	805,397.00	821,900.00	16,503.00
Whip of Council	1	432,009.00	443,200.00	11,191.00
Mayco Member	2	1,515,998.00	1,577,679.00	61,681.00
Ordinary Councillor	6	2,081,998.00	2,272,259.00	190,261.00
Section 79 Chairperson	1	743,714.00	806,655.00	62,941.00
Total		7,379,507.00	7,851,693.00	472,186.00

Based on the above mentioned the current budget is sufficient to fund the increase in the upper limits for salaries of members of the municipal council. It should be mentioned that provision was made for a salary

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increase of 4.5% on the current Employee Related Budget. The total budgeted salary package therefore is sufficient with a surplus of R 472 186.00 on the current budget.

That concurrence be sought from the MEC and once the concurrence has been received that payment to the members of the municipal council be paid within the month of the November 2024.

Comments: Director Financial Services

The recommendation by the Municipal Manager is supported.

Comments: Director Corporate Services

The recommendation by the Municipal Manager is supported.

RECOMMENDED BY THE MUNICIPAL MANAGER

1. That the remuneration of the members of the Bitou Local Municipal Council be determined, as promulgated in Government Gazette No 51407 dated 17 October 2024, at the upper limit of a Grade 3 Local Municipality, as determined as follows:

Total Municipal Income (2022/2023)	R 531 948 232	- 33.33 Points
Total population (in terms of the 2016 survey)	65 240	- 16.67 Points
Total Points		<u>50.00 Points</u>

2. That, read with 1. above, the total annual remuneration packages of the respective members of the Bitou Local Municipal Council which includes a basic salary component, a motor vehicle and travel allowance as provided in items 9(1)(a) of the determination, housing allowance as provided in item 9(2) of the determination, the municipal contribution to a pension, provident or retirement annuity fund as provided in item 13(1) of the determination and the municipal contribution to a medical aid scheme as provided in item 13(2)(a) of the determination, including the upper limits of cell phone allowances and of mobile data bundles as provided in item 11 and 12, respectively, be thus determined as follows:

Grade 3	No	Remuneration Package	Cell Phone and Data Allowance	Cost per Councillor	Cost to Council
Executive Mayor	1	947,990.00	47,004.00	994,994.00	994,994.00
Deputy Executive Mayor	1	758,393.00	47,004.00	805,397.00	805,397.00
Speaker	1	758,393.00	47,004.00	805,397.00	805,397.00
Whip of Council	1	385,005.00	47,004.00	432,009.00	432,009.00
Mayco Member	2	710,995.00	47,004.00	757,999.00	1,515,998.00
Ordinary Councillor	6	299,994.00	47,004.00	346,998.00	2,081,988.00
Section 79 Chairperson	1	696,710.00	47,004.00	743,714.00	743,714.00
Total	13	4,557,480.00	329,028.00	4,886,508.00	7,379,497.00

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3. That the Municipal Manager be petitioned to seek concurrence of the determination of the remuneration of members of the Bitou Local Municipal Council, as mentioned in 1 and 2 above.
4. That only after concurrence has been received from the MEC responsible for Local Government in the province, the increase be implemented.



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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

NO. 5435

17 October 2024

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)****DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

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, Velenkosini Hlabisa, Minister of 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 the Act,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule, with effect from 1 July 2023.



VELENKOSINI HLABISA, MP
MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 16/10/2024

SCHEDULE

PREAMBLE

The salary and allowances of a councillor is determined by that municipal council by resolution of a supporting vote of the majority of its members, in consultation with the member of the Executive Council responsible for local government in each province, having regard to the upper limits as set out hereunder, the financial year of a municipality and affordability of municipality to pay within the different grades of the remuneration of councillors, including the austerity measures as approved by national Cabinet.

For purposes of implementation of this Government Notice, "in consultation with" means that a municipal council must obtain concurrence of the MEC for local government prior to the implementation of the provisions of this Notice.

1. Definitions

In this Schedule, unless the context indicates otherwise, 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) (hereinafter referred to as "the Act") and the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) (hereinafter referred to as "the Structures Act"), has that meaning and –

"basic salary" means the salary component of a councillor that excludes a travel allowance as provided in item (9)(1), housing allowance as provided in item 9(2), the municipal contribution to a pension fund as provided in item 13(1) and municipal contribution to a medical aid scheme as provided in item 13(2);

"capacity building programmes" means training courses or programmes as provided for in the education, training and development policy of council, including training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organised local government through institutions of higher learning and Further Education and Training Colleges.

"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" in relation to this Notice means the grade of municipal council as determined in terms of item 4;

"MEC" means the member of the Executive Council of a province responsible for local government in the province;

"oversight committee" means a committee of the municipal council established in terms of section 79 or 79A of the Structures Act;

"part-time councillor" means a councillor other than a full-time councillor;

"pension fund" means any fund established and registered in terms of, and subject to, any law governing the registration and control of pension funds in the Republic of South Africa and to which an office bearer contributes or any pension scheme approved by Parliament for such office bearers;

"SETAs" means the Sector Education and Training Authorities established in terms of section 9 of the *Skills Development Act*, 1998 (Act No. 97 of 1998);

"special risk cover" means an insurance cover, provided to a councillor by the municipality, which covers the loss of or damage to a councillor's personal immovable or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder;

“tools of trade” means the resources provided by a municipal council to a councillor to enable such councillor to discharge his or her duties in the most efficient and 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 cash flow statement of the audited financial statements of that municipality for the 2022/ 23 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 excludes the following:

- transfers and / or grants from the national fiscus and provincial fiscus, with the exception of regional services council replacement grant for district municipalities; 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, district or local municipality, as determined by the Statistician-General for the 2022 Census, in terms of section 14(7) of the *Statistics Act*, 1999 (Act No. 6 of 1999); and

“total remuneration package” means the total cost to a municipality of a basic salary component, a motor vehicle allowance as provided in item 9(1), housing allowance as provided in item 9(2), the municipal contribution to a pension, provident or retirement annuity fund as provided in item 13(1) and municipal contribution to a medical aid scheme as provided in item 13(2) to a councillor in a municipal financial year.

2. 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
R 0	-	R 10,691,400	8.33
R 10,691,401	-	R 53,457,000	16.67
R 53,457,001	-	R 213,828,000	25.00
R 213,828,001	-	R 1,603,710,000	33.33
R 1,603,710,001	-	R 2,138,280,000	41.67
More than R 2,138,280,000			50.00

3. 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	-	73 857	8.33
73 858	-	123 833	16.67
123 834	-	309 583	25.00
309 584	-	681 083	33.33
681 084	-	2 229 001	41.67
More than 2 229 001			50.00

4. Determination of grade of municipal council

(1) The sum of the number of points allocated to a municipal council in terms of items 2 and 3 of the Notice, determines the grade of such municipal council as follows:

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

5. Upper limits of the annual total remuneration packages of full-time councillors

The upper limits of the annual total remuneration packages of full-time councillors are as follows:

GRADE	TOTAL REMUNERATION PACKAGE			
	EXECUTIVE MAYOR OR MAYOR	SPEAKER, DEPUTY EXECUTIVE MAYOR OR DEPUTY MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL	CHAIRPERSON OF A SECTION 79 OR SECTION 79A COMMITTEE
6	1,546,392	1,248,895	1,176,440	1,141,930
5	1,152,968	922,371	864,725	839,360
4	984,320	787,454	738,571	716,583
3	947,990	758,393	710 995	696,710
2	887,651	710,122	672,077	652,364
1	861,790	695,995	652,493	633,353

6. Upper limit of annual total remuneration package or allowance in respect of councillors appointed to a district council

(1) A councillor appointed to a district council in terms of section 23(1)(b) of the Structures Act, may be paid the upper limit of the total remuneration package or allowance as follows:

- (a) If a councillor is elected or appointed as speaker, mayor, executive mayor, member of a mayoral committee, member of an executive committee, chairperson of a

section 79 or section 79A committee or part-time member of a district council, such councillor is entitled to an amount equal to the difference between the total remuneration package that a councillor receives as a member of the local council and the total remuneration package allocated to that office in the district council in terms of items 5, 6, 7, 8, 9, 10, 11 and 12, as the case may be.

- (b) If the total remuneration package payable to a councillor as a member of the local council is equal to or higher than the total remuneration package that an appointed councillor to the district council receives, such a councillor is, in addition to the total remuneration package received at the local council, entitled to a sitting allowance not exceeding R 1,214.88: Provided that this allowance is limited to R 1,214.88 per day, regardless of the number of meetings of the district council or committees of that council that are attended by such councillor on a specific day.

(2) A district municipality is responsible for –

- (a) the payment of the remuneration or the allowance referred to in sub-item (1);
- (b) the reimbursement of travel expenses not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately-owned vehicles incurred by a councillor for the execution of official duties on behalf of that district municipality, in terms of that district council's policy; and
- (c) the payment of cell phone expenses not exceeding 50% of the applicable allowances as prescribed under item 11 incurred by a part-time councillor for the execution of official duties on behalf of that district municipality, in terms of that district council's policy.

7. Upper limit of allowance in respect of councillors serving in the governance and intergovernmental structures of organised local government

(1) (a) A councillor designated by organised local government to serve in a governance structure of organised local government must, in addition to the total remuneration package applicable to that councillor, be paid an allowance not exceeding R 1,214.88 per sitting and actual attendance of any meeting: Provided that the allowance is limited to R 1,214.88 per day, irrespective of the number of meetings attended by such councillor on a specific day.

- (b) A councillor designated by organised local government to represent organised local government at any intergovernmental structure, including national and provincial executive authorities, must in addition to the total remuneration package applicable to that councillor, be paid an allowance not exceeding R 1,214.88 per sitting and actual attendance of such structure: Provided that the allowance is limited to R 1,214.88 per day, irrespective of the number of attendances by such councillor on a specific day.

(2) Organised local government is responsible for –

- (a) the payment of the allowance referred to in sub-item (1);

- (b) the payment of accommodation expenses incurred for attending a meeting of governance and intergovernmental structures in terms of applicable organised local government policy; and
- (c) reimbursement of travel expenses, not exceeding the applicable tariffs prescribed by the national department responsible of transport for the use of privately-owned vehicles, incurred by a councillor for attending a meeting of governance and intergovernmental structures.

8. Upper limits of the annual total remuneration packages of part-time councillors

The upper limits of the annual total remuneration packages of part-time councillors are as follows:

GRADE	TOTAL REMUNERATION PACKAGE				
	EXECUTIVE MAYOR OR MAYOR	SPEAKER, DEPUTY EXECUTIVE MAYOR OR DEPUTY MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE OR WHIP	CHAIRPERSON OF SECTION 79 OR SECTION 79A COMMITTEE	OTHER PART-TIME MEMBERS
6	866,811	733,286	656,300	637,048	579,132
5	643,205	514,565	482,405	468,251	364,243
4	549,121	439,306	411,841	399,761	311,501
3	528,856	423,048	396,649	385,005	299,994
2	495,192	396,154	371,396	360,501	280,910
1	480,763	384,609	360,574	349,995	272,396

9. Upper limits of allowances of full-time and part-time councillors

The upper limits of allowances of full-time and part-time councillors, that constitute part of the annual total remuneration package, are as follows:

(1) Motor vehicle and travel allowance

- (a) A councillor listed in item 5 and 8 of this Notice may, in line with applicable legislation, structure his or her basic salary to provide for motor vehicle allowance.
- (b) If a councillor structures a vehicle allowance, the councillor must provide proof of ownership of a private vehicle to the municipality and have the vehicle available for official duties.
- (c) A councillor who uses a privately-owned vehicle for execution of official duties on behalf of the municipality, may be reimbursed for official kilometres travelled, in addition to the total remuneration package of a councillor as determined in terms of items 5 and 8 of the Notice, not exceeding the applicable tariffs as prescribed by the national department responsible for transport and in terms of the municipal council's policy.

- (d) A councillor who utilises a privately-owned vehicle for official purposes must, for purpose of claiming kilometres travelled, keep a travel logbook containing the following information relating to actual official and private kilometres travelled per month as may be determined from time to time by the South African Revenue Service:
 - (i) Date of travel;
 - (ii) Kilometres travelled; and
 - (iii) Travel details (i.e. reason for the trip, duration of trip and place from and place to).
- (e) A councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Mayor or Speaker, utilise the municipal-owned vehicle for official purposes: Provided that the municipal council must, in line with applicable legislation and approved municipal council policy, exercise prudent financial management to ensure that the provision of motor vehicle does not undermine the need to prioritise service delivery and sustain a viable municipality.
- (f) If a councillor uses a municipal-owned motor vehicle for official purposes, such councillor will not be reimbursed for kilometres travelled.

(2) Housing allowance

A councillor may structure his or her salary to provide for housing allowance as part of the total remuneration package.

10. Out of pocket expenses

A councillor may, in addition to the total remuneration package, be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official or ceremonial duties, in accordance with the applicable municipal council policy.

11. Upper limits of cell phone allowance for councillors

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be paid a cell phone allowance not exceeding R3 600.00 per month in accordance with the applicable municipal council policy.

12. Upper limits of mobile data bundles for councillors

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be paid an allowance on the use of data bundles not exceeding R317 per month.

13. Upper limits of pension, provident or retirement annuity fund contributions and medical benefits of councillors

- (1) Pension, provident or retirement annuity contributions
- (a) A councillor may participate in a pension, provident or retirement annuity fund registered in terms of the Pension Fund Act, 1956 (Act No. 24 of 1956).

- (b) If a councillor elects to participate in a pension, provident or retirement annuity fund, the municipal council must deduct from that councillor's salary, the monthly contributions and pay the contributions to a pension, provident or retirement annuity fund to which the councillor is a member in accordance with the rules of such pension, provident or retirement annuity fund. The contributions by the municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.

(2) Medical Aid Scheme

- (a) A councillor may participate in a medical aid scheme registered in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998).
- (b) If a councillor elects to participate in a medical aid scheme, the municipal council must deduct from that councillor's salary, the monthly contributions and pay the contributions to a medical aid scheme to which the councillor is a member in accordance with the rules of such medical aid scheme. The contributions by the municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.

14. Special risk cover

(1) A municipality must, in addition to the annual total remuneration packages as provided in items 5 and 8 respectively, take out risk insurance cover, to provide for an insurance cover, provided to a councillor by the municipality, which covers the loss of or damage to a councillor's personal immovable or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder. The special risk insurance on residential property will be limited to R1,5 million while on vehicles it is limited to R750,000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

(2) In the event where the residential property of a councillor was damaged or destroyed as a result of riot, civil unrest, strike or public disorder, the municipality may, subject to affordability, provide alternative accommodation to the affected councillor, for a period of 30 days from the date of such an incident.

(3) Notwithstanding sub-item (2), the municipal council may, on good cause shown, provide alternative accommodation for a further period not exceeding 30 days.

(4) A councillor is obliged to submit to the municipality details of property, assets and beneficiaries to be covered by the special risk insurance upon request. A councillor who fails to submit the required details referred to herein will forfeit the benefits associated with the special risk insurance cover.

(5) If a councillor already belongs to another special risk cover, such councillor must declare to the municipality the details of property, assets and beneficiaries to be covered by the special risk insurance.

15. Tools of trade

- (1) A municipal council may extend the following tools of trade to a councillor:

	TOOLS OF TRADE	APPLICABLE TO:
(a)	Braille reader	All visually impaired councillors.
(b)	Office space and furniture; Parking bay; Business cards; Calculators; Letter-heads; Stationery; Toner cartridges; Diaries; Postage costs; Office telephone; and Appropriate mobile technology and multi-digital office (excluding cell phones and mobile data card as per item 11 and 12), including facsimile, printer, photocopier and scanner.	Full-time councillors, part-time executive mayors or mayor, part-time deputy executive mayors or deputy mayors, part-time speakers, part-time members of mayoral committee or members of executive committee, part-time chairpersons of section 79 committees, and whips.
(c)	Laptop or tablet	All councillors.
(d)	Official accommodation and furniture where it currently exists	Full-time Executive Mayors or Mayors
(e)	Business cards; Calculators; Letter-heads; Stationery; and Diaries.	Part-time councillors and the usage must comply with policy directives of the municipality.
(f)	Postage costs; Office telephone; and Multi-digital office, facsimile, printer, photocopier and scanner.	Part-time councillors to have access to these tools of trade at the municipal offices.
(g)	Personal security	<p>Executive Mayor, Mayor, Deputy Executive Mayor, Deputy Mayor, Speaker and Whip are entitled to two bodyguards per shift of a two-shift system. Deviation from the norm may only be based on the recommendations of the South African Police Service.</p> <p>In the event that a written report is received concerning a threat and risk to the personal security of any of the office-bearers referred to above, the municipal council must:</p> <ul style="list-style-type: none"> (i) Determine whether such a threat and risk exist. (ii) Provide bodyguards in terms of this paragraph if such threat and risk exist. (iii) Exercise financial prudence when providing personal security to any of the office-bearers referred to above. <p>All councillors, subject to a threat and risk analysis conducted by the South African Police Service.</p>

(2) If a municipal council makes available tools of trade in terms of sub-item (1), such a municipal council must take into account accessibility, affordability and cost control, equity, flexibility, simplicity, transparency, accountability and value of tools of trade.

(3) The tools of trade must be insured by the council with the exception of sub-item (1)(g).

(4) The application of sub-item (1) is subject to concurrence by the MEC for local government in the province.

16. Capacity building

(1) Every council must develop and adopt a policy to provide for education, training and development of councillors.

(2) Council must make provision in its budget for education, training and development of councillors, which must remain valid for the tenure of office of that council.

(3) A training programme must take into consideration the capacity needs of a councillor to fulfil individual councillor's statutory obligations. Provided that the municipal council must, in line with applicable legislation and approved council policy, exercise prudent financial management to ensure that the provision of education, training and development of councillors does not undermine the need to prioritise service delivery and sustain a viable municipality.

17. Overpayment

(1) Any remuneration paid to a councillor of a municipality otherwise than in accordance with section 167(1) of the *Local Government: Municipal Finance Management Act*, 2003 (Act No. 53 of 2003) including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and a municipality –

- (a) must recover that remuneration from the councillor concerned; and
- (b) may not write-off any expenditure incurred by the municipality in paying or giving that remuneration.

(2) The MEC must report to the Minister –

- (a) any transgression of subsection (1); and
- (b) any non-compliance with this Notice.

18. Information to be submitted to the Minister

(1) A municipal council must submit to the MEC responsible for local government under whose jurisdiction it falls, within 30 days from the date of publication of this Notice on an official letterhead of the municipality, signed by the executive mayor or mayor, a report containing the following information in respect of its serving councillors for the 2023/ 24 financial year.

- (a) Total number of councillors;
- (b) Designation;
- (c) Part-time or full-time;
- (d) Name of incumbent;
- (e) Gender;
- (f) Total municipal income;
- (g) Total population;

- (h) Grading of municipal council;
- (i) Date concurrence granted by the MEC;
- (j) Total remuneration package;
- (k) Total budget for personal security; and
- (l) Any allowance(s) payable to a councillor.

(2) Upon receipt of the information referred to in sub-item 1, the MEC must analyse the information for correctness and completeness and submit a consolidated report to the Minister within 60 days from the date of publication of this Notice.

19. Transitional measures

(1) If a municipal council has no audited financial statements for 2022/ 23 financial year by the date of publication of this Notice, the audited financial statements for the 2021/ 22 financial year shall apply.

(2) If the grading of a municipal council is lower than the current grade of the municipal council as determined in terms of this Notice, a councillor –

- (a) who is in office as at 30 June 2023, will retain the total remuneration package as determined in terms of Government Notice No.38407, Government *Gazette* No. 49142 of 18 August 2023; and
- (b) such councillor is entitled to the applicable cost of living adjustment;
- (c) provided that the data used by the municipal council for determination of the grade of a municipal council is correct.

(3) Item 15(1)(g) of the Notice on upper limits of the salaries, allowances and benefits of the different members of municipal councils has been amended as follows effective from the date of publication of this Notice:

(g)	Personal security	<p>Executive Mayor, Mayor, Deputy Executive Mayor, Deputy Mayor, Speaker and Whip are entitled to two bodyguards per shift of a two-shift system. Deviation from the norm may only be based on the recommendations of the South African Police Service.</p> <p>In the event that a written report is received concerning a threat and risk to the personal security of any of the office-bearers referred to above, the municipal council must:</p> <ul style="list-style-type: none"> (i) Determine whether such a threat and risk exist. (ii) Provide bodyguards in terms of this paragraph if such threat and risk exist. (iii) Exercise financial prudence when providing personal security to any of the office-bearers referred to above. <p>All councillors, subject to a threat and risk analysis conducted by the South African Police Service.</p>
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(4) This Notice replaces Government Gazette No. 49142 of 18 August 2023

20. Short title and commencement

This Notice is called the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils and takes effect from 1 July 2023.

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