

**PORTFOLIO COMMITTEE :
MANAGEMENT SERVICES**

Chairperson :

Cllr A Komani

Committee Members :

**Ald M Sapepa, Cllrs R Nutt,
M Opperman & N Nqinata**

**PORTEFEULJEKOMITEE :
BESTUURSDIENSTE**

Voorsitter :

Rdl A Komani

Komiteelede :

**Rdh M Sapepa, Rdle R Nutt,
M Opperman & N Nqinata**

MANAGEMENT SERVICES PORTFOLIO COMMITTEE

BESTUURSDIENSTE PORTEFEULJEKOMITEE

21 May 2019

I N D E X

ITEM

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**AGENDA of the
Portfolio Committee : Management Services
21 May 2019
(Also the agenda for the Mayoral Committee Meeting : 29 May 2019)**

**1.
REVISED POLICY ON PAYMENT OF ACTING ALLOWANCES OF SECTION 56
MANAGERS**

4/5/2/2

**L Bucchianeri
10 April 2019**

(028) 3138120

Hermanus Administration

1. Executive Summary

The purpose of this report is to recommend to Council the revised Policy on Payment of Acting Allowances of Section 56 Managers.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Management Services
Department: Human Resources

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

None

5. Legal Requirements

- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) [Systems Act]
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997) [BCEA]
- Conditions of Service Western Cape Collective Agreement of 2016
- Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) [Structures Act]

6. Background/Discussion/Evaluation/Conclusion

Background

The purpose of this report is to align the policy with the Collective Agreement on Conditions of Service for SALGBC: Western Cape Division of April 2016, with specific reference to Section 8 of the said Agreement.

**AGENDA of the
Portfolio Committee : Management Services
21 May 2019
(Also the agenda for the Mayoral Committee Meeting : 29 May 2019)**

Paragraphs 2, 3, 4, 5 & 6 are to be amended according to the following explanatory note:

[] **Words in bold type in square brackets indicate omissions for existing enactments.**

_____ Words underlined with a solid line indicate insertions in existing enactments.

7. Financial Implications

The formula in the policy will determine the financial implication.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Revised Policy on Payment of Acting Allowances of Section 56 Managers

RECOMMENDATION TO THE COUNCIL:

that the revised Policy on Payment of Acting Allowances of Section 56 Managers **be adopted.**

RESPONSIBLE OFFICIAL :

L BUCCHIANERI

TARGET DATE FOR IMPLEMENTATION :

1 JUNE 2019

**AGENDA of the
Portfolio Committee : Management Services
21 May 2019
(Also the agenda for the Mayoral Committee Meeting : 29 May 2019)**

**1.
REVISED POLICY ON PAYMENT OF ACTING ALLOWANCES OF SECTION 56
MANAGERS**

4/5/2/2

**L Bucchianeri
10 April 2019**

(028) 3138120

Hermanus Administration

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
21 MAY 2019, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the revised Policy on Payment of Acting Allowances of Section 56 Managers **be adopted.**

RESPONSIBLE OFFICIAL :

L BUCCHIANERI

TARGET DATE FOR IMPLEMENTATION :

1 JUNE 2019

OVERSTRAND MUNICIPALITY***Policy on Payment of Acting Allowances of
Section 56 Managers*****INTRODUCTION**

Whereas section 82 of the Local Government: Municipal Structures Act, No. 117 of 1998 provides for the appointment of an acting municipal manager; and

Whereas the Conditions of Service of municipal staff as set out in the South African Local Government Bargaining Council's collective agreements provides for payment of acting allowances,

Now, therefore, the Overstrand Municipality adopts the following policy:

GENERAL EXPLANTORY NOTE:

[] **Words in bold type in square brackets indicate omissions from existing enactments.**

_____ Words underline with a solid line indicate insertions in existing enactments.

Policy Principles

1. Whenever a person has to act as Municipal Manager or as a Section 56 Manager, such a person shall, under circumstances described below, be entitled to an acting allowance.
2. In the event of the Municipal Manager or the Section 56 Manager, as the case may be, being on [annual, special or sick] leave [for 10 (ten) or more consecutive working days or being on leave], irrespective of the type of leave, for 10 (ten) or more consecutive days [during a calendar month], (including public holidays and compulsory office closures), the person appointed to act in the absence of the incumbent will be entitled to an acting allowance as set out in paragraph 4 & 5 below:
3. The acting allowance will be calculated on a working year of 250 working days.
4. An acting allowance in the position of Municipal Manager, will be based on 50% (fifty percent) of the difference between the total cost to employer package of the [person] Municipal Manager being on leave and that of the [person] Section 56 Manager acting in [the] that position. [of the person on leave].

(Example: A's remuneration package	-	R700 000
B's remuneration package	-	<u>R580 000</u>
Difference	-	R120 000
50% of difference	-	R 60 000

B acted for 10 (ten) days.

$$\frac{10}{250} \times \frac{R60\,000}{1} = R2\,400$$

5. Acting Allowance for employees acting in Section 56 Managers (Directors).

In terms of the Collective Agreement on the SALGBC: Western Cape Division of April 2016, subsection 8.5 will apply:

"8.5.1 The employee shall in addition to his salary receive an acting allowance for the period of acting."

"8.5.2 The salary component for determining the acting allowance will be 60 cent of the remuneration package of the post in which the employee is acting."

6. Whenever a person is acting in the position of a person on leave the acting person will be deemed to be performing his/her own work plus the work of the person in whose position he/she is acting.

Policy Section:	Management Services
Current Update:	29 May 2019
Previous Review:	N/A
Approval by Council:	27 August 2008