

REMUNERATION POLICY

2016/2017



BLOUBERG MUNICIPALITY

DRAFT REMUNERATION POLICY

1. PREAMBLE

The municipality does not have a structured system to remunerate Sec 56\7 managers, but only have the remuneration committee and the adopted charter in place to address issues of remuneration of the referred to managers. It is against that background that the municipality is formulating the remuneration policy to give guidance to the process.

2. PURPOSE

The purpose of this policy is to provide guidelines on matters related to the improvement of the conditions of services for section 56\7 managers.

3. CLARIFICATION/DEFINITION OF TERMS

3.1 Employees- All fixed-term-contract employees appointed in terms of Section 56/57 of the Municipal Systems Act and who are not covered in the South Africa Local government Association Bargaining Council (SALGBC) Collective Agreement

3.2 Municipality- Unless otherwise indicated, ***Municipality*** refers to Blouberg Local Municipality

3.3 Remuneration-Remuneration means financial compensation granted by Blouberg Local Municipality to its employees for the execution of designated duties. This includes the basic salary, any bonuses or other economic benefits that an employee receives

4. SCOPE OF APPLICATION

The policy applies to the Municipal manager and all section 56/7 Managers of Blouberg Municipality

5. LEGAL FRAMEWORK

- 5.1 Republic of South Africa Constitution, Act No108 of 1996.
- 5.2 Municipal Systems Amended Act 7 of 2011
- 5.3 Municipal Finance Management Act, Act 56 of 2003.
- 5.4 Employment Equity Act. Act 55 OF 1998
- 5.5 Any regulations promulgated in terms of any of the above mentioned Acts.

6. OBJECTIVES

6.1 To recognize individual contributions towards the achievement of the Blouberg Local Municipality's objectives and to motivate high levels of performance;

6.2 To communicate and support organizational values and strategy and to create focus on key organizational objectives through the performance management system;

6.3 To allow the Blouberg Local Municipality to compete effectively in the labour market and to recruit and retain skilled and competent staff.

6.4 To achieve fairness and equity.

6.5 To create a framework for remuneration management that will enable the Municipality to attract and retain staff of high quality and potential.

6.6 To ensure that the Municipality as an employer complies with legal prescriptions (e.g. the Basic Conditions of Employment Act), as well as the contractual obligations in the letters of appointment and conditions of service.

6.7 To remunerate managers taking the following factors into account: affordability, inflation, productivity and comparability

7. POLICY CONTENT

7.1 This policy is applicable to section 56/57 managers of Blouberg local municipality

7.1.1 The establishment of the remuneration committee

The Committee will consist of the following:

- a. Councilors
- b. Municipal Manager
- c. Mayor/his appointee whom will serve as a chairperson of the committee
- d. Corporate Services Directorate which will serve as the secretariat for the committee

7.2 Functions of the remuneration committee

- 7.2.1 To develop a remuneration committee charter
- 7.2.2 Develop and review the remuneration policy
- 7.2.3 Monitor the implementation of the remuneration policy
- 7.2.4 Advise the Council on the implementation of Policy

7.3 Remuneration of Section 56/57 Employees

- 7.3.1 The council will consider the bargaining council salaries/wages agreement as a basis to adjust salaries of section 56/57 employees, i.e. agreed percentage by SALGA BC (South Africa Local Government Association Bargaining Council) minus 2 percent, this is an effort to narrow the minimum wage gap in the sector.
- 7.3.2 A newly employed Senior Manager/section 56/57 will only be considered for cost of living adjustment after concluding a year in service and not any time before that period has been reached, and annually thereafter.

- 7.3.3 The employees' all-inclusive annual remuneration package will be adjusted annually. The adjustment will be based on the cost of living and economic indicators, and not on performance.
- 7.3.4 The determination of the cost of living adjustment by the municipality will be on the total package as a whole and not through an allocation of individual increases to different remunerative components of a package i.e. basic salary, medical aid, pension fund and etc.
- 7.3.5 The municipality will consider the following factors in determining annual salary increases of Section 56/57
- a. Affordability
 - b. Inflation
 - c. Productivity
 - d. Comparability
- 7.3.6 The salary increase will not be applied pro-rata under any circumstances at any time before a year in service is concluded by the employee as outlined in paragraph 7.3.5.

8. APPROVAL OF THE POLICY

The Remuneration Committee will develop and/ or review the policy and recommend to Council for approval.

9. ADMINISTRATION OF THE POLICY

The Remuneration policy will be administered by Cooperate Services Department in Consultation with Budget and Treasury Department.

10. EFFECTIVE DATE OF THE POLICY

The policy will take effect from the 1st July 2016 and be reviewed annually thereafter.

Recommendation:

Chairperson

First Names:.....

Surname:.....

Signature:.....

Date:.....

Council Approval

Council Resolution No. (see attached)

