

FYI - This email was today sent to the 13 Bitou councillors.

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Margaret



12 March 2020

Dear Bitou Councillors,

As you are no doubt aware, Knysna council, like Bitou council, unlawfully resolved to pay a "scarce skills allowance" to its senior municipal officials. You will also be aware that Knysna's council has responded to its earlier unlawful decision by rescinding it and recovering the amounts unlawfully paid out from the recipients.

We trust that Bitou councillors will take the necessary step to ensure that this matter is dealt with similarly at the next Bitou council meeting.

Regards,
Peter Gaylard
Chairman

MEC TAKES KNYSNA TO COURT

Correspondent Yolandé Stander | Thursday, 05 March 2020, 10:03



Dr Michelle Gratz.

KNYSNA NEWS - The implementation of a R1.4-million annual so-called "scarce-skills allowance" for Knysna's municipal manager and directors has resulted in legal action after Western Cape local government MEC Anton Bredell turned to the high court to compel the municipality to scrap the policy and recover any irregular expenditure incurred as a result.

The municipality was given 15 days to file opposing papers, failing which Bredell's application would be made an order of the court.

If the municipality opposes the matter and loses the case, it would be liable for the legal costs.

Allowance stopped with immediate effect

During a special council meeting last week, council voted in favour of a recommendation from acting municipal manager Dr Michele Gratz to stop the payment of the 20% scarce-skills allowance (over and above their maximum salaries) to the municipal manager and directors with immediate effect.

These scarce-skills payments were highlighted by Gratz in a list of recommendations to alleviate the municipality's financial woes, which led to the suspension of municipal manager Dr Sitembele Vatala last month.

The Knysna Ratepayers' Association (KRA) yesterday commended Gratz for cutting her own salary in the process for the greater good. It had already opposed the implementation of the allowance when it was first adopted by council in August 2018. "It is no secret that the KRA does not support the decision by council to pay a 20% scarce-skills allowance," it said.

Payments are unlawful, says MEC

In her recommendations to solve the cash problems, Gratz stated she received notice from Bredell's office that the payments are unlawful, and that the minister has launched a high court application against the municipality to this effect.

"Provincial Treasury also advised that these payments are unlawful. At a cost of over R117 000 per month, our cash-flow crisis and a pending court order against us, there was no other option than to cease these payments," she said.

Knysna DA caucus whip Levael Davis said on Tuesday, "Council will not be opposing Bredell's high court application. Council resolved unanimously on the decision not to oppose the MEC's court application. The managers will have to pay back the money they received and the municipality is working on how the money is going to be recouped," Davis said. He added that the DA has been against the move to pay the allowance to the municipal manager and directors.

Bredell's spokesperson James-Brent Styan said as far as the department is aware, Knysna is the only municipality in the Western Cape that has implemented this allowance for senior managers.

Muni continued despite warnings

"Despite numerous communiqués to the municipality, that such a scarce-skills allowance is not permissible in terms of applicable legislative prescripts, the municipality continued with the implementation thereof," Styan said.

"As a result, the minister instituted legal proceedings against the municipality seeking inter alia, an order reviewing and setting aside the scarce-skills and retention policy adopted, and recovering any irregular expenditure incurred as a result."

Styan added that Bredell is pleased that the council has resolved to stop such payments with immediate effect and to recover any payments effected since the adoption of the policy.

The KRA said they are pleased that Gratz, in only her second week as acting municipal manager, has ensured that council ends "the highly controversial" allowance.

"By asking council to effectively reduce her own salary as well as that of top management by 20%, Gratz has set an example for the entire country," the association said in a statement.

"Under her strong, effective leadership we can look forward to restoring Knysna to the town that was twice voted town of the year."

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