
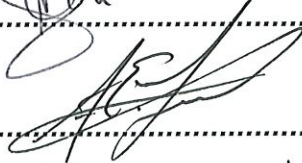




TRANSPORT ALLOWANCE POLICY (ESSENTIAL USER)

Council Resolution No	: A72
Date	: 10.06.2024
Municipal Manager	: 
Executive Mayor	: 
Reference No	: 9/1/13 & 6/39/2
Municipal Code No	: P-T-07

REVIEWED 10.06.2024



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1. PREAMBLE

The purpose of this policy is to create a policy for the Overberg District Municipality that is adequate for council and employees who qualify for an Essential User Allowance.

The implementation of this policy shall always be guided by the provisions of the Municipal Finance Management Act to ensure adequate accountability and responsibility.

2. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the applicable legislation.

3. LEGAL FRAMEWORK

Municipal Finance Management Act – Act 56 of 2003

4. SCOPE AND APPLICATION

The municipal manager as well as employees employed in terms of Section 56 of the Municipal Systems Act is excluded from this policy.

5. POLICY CONTENT

Essential Users Scheme: Engine Capacity 1800cc – 2000 cc
Employees qualifying for an essential user allowance are those whose duties necessitate the daily and continuous use of a vehicle and where such employee provides a private vehicle.

The essential user car allowance is an operational allowance and not a condition of service. The scheme is exclusively directed at essential users and is not intended to provide additional income, a fringe benefit, perk or hand-out to employees, and it becomes a shared asset between the employee and Council.

6. CRITERIA / PROCEDURE FOR PARTICIPATION

6.1.1 Position must require the daily use of a vehicle to ensure a high level of service delivery.

6.1.2 The line manager writes a motivation to the relevant director to have the post classified as an Essential User post – The director considers.

6.1.3 After assessing the application in terms of the policy as well as availability of funds, the director will recommend that the post be classified as an essential user post where after the department must ensure that sufficient funds have been budgeted to pay for the allowance. Finance department to confirm the availability of funds.

6.1.4 The Manager: Human Resources will inform the applicant of the classification of the post and requests the incumbent to keep a log for a period of six months in order to establish whether the post fulfills the requirements for participation in the scheme.

6.1.5 The line manager must ensure that a log sheet is completed weekly for all official trips traveled and that the sheets are checked and verified.

6.1.6 During this six-month period, the line manager can request that an ad hoc allowance be paid to the incumbent if the incumbent is using its own vehicle.

6.1.7 On completion of the six months period, a formal application must be made to the relevant Director with all the relevant documentation attached to it. If the relevant director recommends the application, it will then be forwarded to the Municipal Manager for final consideration / approval.

7. AVAILABILITY OF VEHICLE

Employees in receipt of an essential user transport allowances shall at all times provide motor vehicles of suitable types and conditions as predefined and approved by the heads of department concerned for the proper discharge of their duties. Employees are to provide proof of availability of suitable vehicles on the request of management and/or the Human Resources.

Alternatively, the affected employees' transport allowances must be stopped until such vehicle is available/ provided. Employees must inform the municipality immediately if they do not have a vehicle available.

In the event that it can be shown that the employee has received the transport allowance without having the requisite vehicle available the overpayment of the allowance for the identified non qualifying period must be recovered from the employee's salary.

Affected staff members may also face disciplinary action relating to their non compliance with this provision and where they continued to receive the allowance without complying with the above qualifying requirements.

The municipality may terminate or vary the essential user transport allowance on the recommendation of the head of department concerned with the concurrent approval of the Manager Human Resources after consultation with the affected employee.

8. AD HOC ALLOWANCE

Employees who do not receive a permanent travel allowance and in the absence of pool vehicles are requested by the departmental head to use their private motor vehicles for the municipality's business on an ad hoc basis are eligible to receive an ad hoc allowance.

The ad hoc scheme takes the following form:

- All ad hoc claims must be approved by the Director or delegated authority prior to undertaking the trip.
- This application must be completed on the prescribed approval form
- The claim form must be completed after completion of the trip and approved by the relevant director or delegated authority to be submitted at the Finance department for processing.

9. MONITORING AND REVIEW

- The line manager must quarterly review the kilometers travelled to ensure that the essential user scheme is still the most economical option for service delivery.
- Heads of departments must ensure that records are kept up to date at all times.

10. CALCULATION OF ALLOWANCE

Calculation of allowances will be based on the following:

- i. A fixed allowance paid on a vehicle with 1800cc/2000cc capacity.
- ii. Additional running cost per km to be paid if the employee is exceeding 500 km (payment only for kilometres exceeding 500);
- iii. Any change to be implemented in the month following the month where-in the changes appeared.

11. MONTHLY CLAIM FOR PAYMENT OF ALLOWANCE

Proper log sheets must be kept where-in the following details must be clearly noted:

- i. Date of trip.
- ii. Distance of trip.
- iii. Specific mention of destination/s where to trip/s were made on the relevant day.
- iv. No official trips may be undertaken without the necessary authorisation.
- v. Official trips are only considered official, from the office/workplace to the specific destination.
- vi. The employee must utilise an average of 500 km per month (official) over a period of 3 months.
- vii. Allowances will be calculated on a monthly basis on all official trips according to log sheets submit for a full calendar month. Log sheets must be submitted to the salary office within the first week of the new month.
- viii. Where an employee is enrolled to the scheme and is not applicable for a full month, the allowance will be calculated on a pro-rata basis.

12. TERMINATION OF ESSENTIAL USER ALLOWANCE

In cases of absence from duty the essential user allowance will stop *except* underthe following circumstances:

- When on annual or sick leave
- When on council business
- During the paid portion of maternity leave
- When absent from duty due to an injury on duty
- The **employer** or **employee** can give six (6) months written notice to withdraw or cancel the scheme.

13. GENERAL

1. No employee is under obligation to participate in the essential user scheme and where an employee choose not to participate, the employer must provide the employee with transport to perform his/her duties
2. Employees participating in the scheme is responsible to meet the maintenance and repair cost of the vehicle
3. No employee can claim participation to this essential user scheme as a right

4. If an employee who participates in the scheme, is promoted or appointed to a post where the essential users scheme is not applicable, participation to the scheme will stop with immediate effect
5. If the nature of an employee's duties change to such an extent that participation to the scheme can no longer be justified, the employer have the right to serve notice to terminate the employees participation to the scheme.
6. Employees partaking in the essential user scheme will not be entitled to official parking facilities by reason of their participation in this essential user scheme.

14. IMPLEMENTATION

This policy will be implemented and effective once approved by Council.

15. POLICY REVIEW

This policy will be reviewed as and when necessary.

16. ROLES AND RESPONSIBILITIES

The Municipal Manager or his/her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy. The Payroll Division to adjust the fixed and running cost in terms of the AA tariffs on a quarterly basis.

17. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

18. RESOLUTION

Any dispute that arises from this policy must be dealt with in terms of the procedures as set out in the SALGBC Main Collective Agreement.



Item A72. 10.06.2024

TRANSPORT ALLOWANCE POLICIES (ESSENTIAL USER AND PERK SCHEME)

S Mdwu: Senior Manager: Human Resources

(Ref.: 9/1/B & 6/39/2)

PURPOSE

To table the Transport Allowance (Essential User and the Perk Scheme) policies to Council, for adoption.

BACKGROUND

Council approved the Essential User Scheme per Council Resolution A313, dated 23 November 2015. The Resolution was based on Circular 12/2014 of the South African Local Government Bargaining Council (SALGBC) Western Cape Division. Subsequent circulars have been received, stipulating fixed and running costs, which the Municipality implemented.

CURRENT SITUATION

During the 2023 period of audit review, the Auditor-General acknowledged that essential user allowances are guided by the SALGBC rules, however, recommended that the Municipality ensure policies are in place for both the Essential User Scheme, and the Perk Scheme.

It is noted that Council has agreed the Perk Scheme be phased out as and when the following positions become vacant:

- Senior Manager Roads Services
- Professional Officer Roads Services - Bredasdorp
- Professional Officer Roads Services - Swellendam
- Professional Officer Roads Services - Caledon
- Manager Emergency Services
- Senior Environmental Health Practitioner - Cape Agulhas

The following policies were presented to the Corporate Services Portfolio Committee, for recommendation to Council, for adoption:

- Transport Allowance (Essential User) Policy
- Transport Allowance (Perk Scheme) Policy

LEGISLATIVE FRAMEWORK

- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Essential User Scheme: Transport Allowance Fixed- and Running Cost per Circular 12/2014: South African Local Government Bargaining Council Western Cape Division 2014

ATTACHMENTS

- Transport Allowance (Essential User) Policy
- Transport Allowance (Perk Scheme) Policy

This item served before the Corporate Services Portfolio Committee on 03 June 2024 and recommended as follows to Council:

RESOLVED : (Proposed by Cllr. T Els and seconded by Cllr. A Klaas)

- 1) Council approved the Transport Allowance (Essential User) Policy.
- 2) Council approved the Transport Allowance (Perk Scheme) Policy.

CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON 10 JUNE 2024.



R BOSMAN
MUNICIPAL MANAGER