

## **CAR ESSENTIAL SCHEME POLICY**

**Resolution Number: 215/2012/13**

**Effective Date: 23 May 2013**

**Approved Date:23 May 2013**

**Review Date:23 May 2014**

Notwithstanding the review herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary.

### **Why has a policy?**

The purpose of this policy is to create a uniform policy throughout the Municipality that is adequate for all employees who qualify for a Car Essential Scheme.

## **1. PREAMBLE**

The purpose of this policy is to create a uniform policy throughout the Municipality that is adequate for all employees who qualify for a Car Essential Scheme allowance throughout the Municipality with due regard to the prevailing positions in some municipalities.

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

The policy shall be utilized as a framework document that provides for the minimum conditions in order to cater for the varying municipal positions in this regard.

## **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**

Employees employed in terms of Section 57 of the Municipal Systems Act are excluded from this policy.

## **5. OBJECTIVES OF POLICY**

The policy shall be utilized as a framework document that provides for the minimum conditions in order to cater for the varying municipal positions in this regard.

## **6. POLICY CONTENT**

Senior employees at a managerial level who received a Car Essential Scheme prior to the introduction of this policy are eligible to receive a Car Essential Scheme as a fringe benefit in addition to their salaries.

The tariffs for the use of motor transport will be based on the Department of transport.

These rates are to be used by all officials taking part in the scheme where Municipality contributes towards the capital, insurance and maintenance of the vehicle. The employees should note that there will be changes in rates on the monthly basis as determined by the department of transport.

## **MAXIMUM VEHICLE ALLOWANCE**

The maximum vehicle allowance is determined by the estimated average monthly DUTY DISTANCE expected to be travelled by the employee in execution of official municipal duties.

### ***Monthly DUTY DISTANCE viz MAXIMUM VEHICLE ALLOWANCE table:***

<b>DUTY DISTANCE</b>	<b>MAXIMUM VEHICLE ALLOWANCE</b>
1000 KM	R3 648.00
1500 KM	R5 472.00
2000 KM	R7 296.00
2500 KM	R9 120.00

- Employees' DUTY DISTANCE is determined by the Municipal Manager after considering the recommendation of the employee's Head of Department.
- Employees can only claim subsistence and traveling allowance on the normal rate of (petrol Light delivery vehicle with the engine capacity of 2000cc) even if their vehicle is above engine capacity of 2000cc).

### **6.1 Fixed Compensatory Car Essential Scheme**

Employees who by nature of their duties are involved on a daily basis on both the functional and managerial levels as determined by Council or Employees who are compelled to utilize their private vehicles in the completion of their official duties on a regular basis are eligible to receive a fixed compensatory Car Essential Scheme.

In order to provide a form of fringe benefit as well as to provide for actual distances travelled a fixed Car Essential Scheme will be coupled to these levels.

The fixed allocation for this category will be paid in terms of a kilometre allocated.

The allowance payable will be calculated according to the fixed and running costs of the Department of transport.

Should there be employees on this level who wish to claim distances in excess of official km travelled, officially approved log sheets must be submitted

Any employees on this level whose average monthly distances travelled are in excess of official km travelled and who wish for a fixed coupling in this regard, may approach the Departmental Head/Head of Directorate who will approve the maintenance of log sheets.

The procedure for the coupling of an allocation to a post will be as follows:

- The incumbent will maintain officially approved log sheets of actual distances travelled on monthly basis.
- Only distances travelled within the Municipal boundaries or to Council premises/works outside such boundaries in the execution of official duties will be taken into account, distances between work and home will be excluded.
- The Departmental Head/Head of Directorate will send a motivated report along with the log sheets to the human Resource Division for investigation and recommendation, where after the Manager: Human Resources will approve/disapprove the coupling of the allocation to the post.
- As it is accepted that employees do not, as a result of vacations etc, always utilize their full allocations every month, the lower interval will be allocated to the post should the average of the log sheets submitted fall between two intervals.
- Should the Departmental Head/Head of Directorate after the initial approval wish to increase the kilometrage allocations, the procedure above must once again be followed. This implies that the Departmental Head/Head of Directorate will not have the discretion to increase allocations at will after the initial approval.
- It will be expected of employees in posts with allocations above 500 km to, one year after receiving the allowance, maintain log sheets for a minimum of three months annually as a control measure. Employees should send the log sheets to their Departmental/Directorate to ensure that they are still entitled to the allocation. Control sheets should be sent to the Head: Human Resources who will approve/disapprove the allocation. Should the kilometres be reduced, the Human Resources Division in conjunction with the Department/Directorate will inform the employee, of the reduction of the allocation after giving the employee on month's written notice.
- The Departmental Head/Head of Directorate can at any stage terminate the Car Essential Scheme, after giving three months written notice, should he/she deem it no longer a necessity for the incumbent of the post utilized his vehicle in the completion of his vehicle in the completion of his duties. During this period only the fixed cost component of the allowance will be paid. The Manager: Human Resources should then be informed accordingly.

## **6.2 General**

Employees in receipt of permanent Car Essential Scheme shall at all times provide motor vehicles of suitable types and conditions as predefined and approved by the overall 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 Human Resources.

Alternatively, the affected employees' Car Essential Scheme must be stopped until such vehicle is available / provided.

Employees must inform their employer (the employing local authority/municipality) immediately if they do not have a vehicle available.

In the event that it can be shown that the employee has received the Car Essential Scheme 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.

Further, they may face disciplinary action and/or incapacity proceedings relating to their non-compliance with this provision and inability to perform their duties due to them not having the requisite vehicle and where they continued to receive the allowance without complying with the above qualifying requirements they must be charged with fraud.

The Local Authority may terminate or vary any Car Essential Scheme on the recommendation of the overall head of department concerned with the concurrent approval of the Municipal Manager after consultation with the affected employee.

The Municipal Manager shall approve of any employees' in receipt of permanent Car Essential Scheme, who are required to be transferred by the Local Authority to other posts to which no Car Essential Schemes are attached, or whose duties change to the extent that their posts no longer justify Car Essential Schemes being attached to them, to continue to be paid the fixed cost portion of the allowances for the duration of outstanding fixed periods or payments of their existing vehicle financing agreements for their current vehicles purchased in terms of the scheme, or until the agreement or commitment is terminated/expires for any reason whatsoever.

Affected employees may not renegotiate or reschedule the agreements in any way to have the effect of extending the agreements and/or commitments/obligations in terms thereof to cause allowances to continue to be paid for longer than they otherwise would have been.

If such agreements should terminate at an earlier time due to whatever reason the employees concerned must inform their management immediately and the Car Essential Scheme must be discontinued forthwith.

Employees without Car Essential Schemes and those in receipt of Car Essential Schemes in their current posts and who apply for and are appointed to new or promotional posts to which Car Essential Schemes are attached shall receive the new post's approved allowance that they take up the duties (are appointment) of the promotional post, and employees who are in receipt of existing Car Essential Schemes which they enjoyed from

their previous post and who are appointed to promotional posts that do not have Car Essential Schemes attached to them shall have their existing Car Essential Scheme discontinued from the time that they take up the duties of the new promotional post.

### **6.3 Transitional Arrangements**

An employee who received a Car Essential Scheme prior to the introduction of this policy, will continue to receive allowances in terms of his/her former scheme until the end of the agreed term, where after he/she will be placed on the new arrangements in terms of this policy.

## **7. IMPLEMENTATION AND MONITORING**

This policy will be implemented and effective once approved by Council

## **8. COMMUNIOICATION**

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

## **9. POLICY REVIEW**

This policy will be reviewed annually and revised as necessary

## **10. BUDGET AND RESOURCES**

The financial and resources implications related to the implementation of this policy should be qualified and quantified

## **11. ROLES AND RESPONSIBILITIES**

The Municipal Manager or his/her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy

## **12. PENALTIES**

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