

## **VEHICLE ALLOWANCE POLICY**

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## 1. Purpose

1.1. The purpose of this Policy is to regulate the application and participation in the Vehicle Allowance Policy of Kouga Municipality.

## 2. Background

2.1. The Vehicle Allowance Policy was introduced in terms of determinations made in terms of the provisions of the now repealed Remuneration of Town Clerks Act 115 of 1984.

2.2. Payment of a Vehicle Allowance to "Town Clerks" (Municipal Managers) in terms of the provisions of the Remuneration of Town Clerks Act was subject to approval by the municipal council and based on affordability.

2.3. Determinations made in terms of the provisions of the Remuneration of Town Clerks Act further provided that the Vehicle Allowance Scheme may be applied to managerial staff per resolution of the Council also subject to affordability.

2.4. The aim of the Vehicle Allowance is specifically to make remuneration packages more competitive with the private sector so as to ensure that the required skills and expertise could be attracted to the Local Government Sector.

## 3. Scope and application

3.1. This Policy applies to certain positions from TASK Grade 14 and higher.

3.2. This Policy shall come into effect on the date of adoption and shall remain in effect until reviewed and or amended by resolution of the Kouga Municipal Council.

## 4. Policy principle

4.1. This Policy recognize the principle of offering more attractive remuneration packages to positions within the staff structure so as to ensure that the required skills and expertise can be attracted to such positions and /or retained in Kouga Municipality.

4.2. This Policy further recognizes the maintenance of current benefits of existing employees, i.e. where a person has been appointed to a position and receives a "vehicle allowance car benefit" as condition of such appointment (Condition of Service) such employee shall retain the benefit on a personal to incumbent basis.

- 4.3. However, were the employee applies for and is appointed to another position the vehicle allowance benefit may fall away subject to the conditions of appointment to the new position.
- 4.4. Where the employee is transferred to another position on the initiative of the employer, the employee shall retain all benefits effective prior to such transfer, unless agreed to in writing between the parties and unless such transfer is the result of disciplinary action instituted by the employer.
- 4.5. Where the "Vehicle Allowance Scheme" benefits have been granted to any position without the required resolution of Council, approving the "Vehicle Allowance Scheme" benefit specifically to such a position or salary Post Level, such employee/position shall at the discretion of the municipal manager forfeit such benefit on written notice as the municipality may determine.
- 4.6. Where positions as recognised by this Policy for participation in the "Vehicle Allowance Scheme" has been granted to such position without the required resolution of council, the council may at its discretion and with the required notice adjust the benefit to the levels as set out in this policy.

## **5. Participation in the Vehicle Allowance Scheme**

- 5.1. Participation in the Vehicle Allowance shall be limited to employees employed in positions graded at TASK Grade 14 and higher.
- 5.2. Where employees on TASK Grade 13 and lower currently participate in the Vehicle Allowance Scheme, such employee will be transferred to the essential user scheme. However, the benefit that such employee was entitled to under the vehicle allowance scheme will remain contractual to holder.
- 5.3. Participation in the Vehicle Allowance scheme is further subject to:
  - 5.3.1. Valid driver's licence;
  - 5.3.2. Proof of vehicle ownership;
  - 5.3.3. Vehicle available for the execution of duties and;
  - 5.3.4. Maintaining vehicle in a serviceable and roadworthy condition.

## **6. Termination of participation in the Vehicle Allowance Scheme**

- 6.1. This Policy recognizes that current benefits, in particular participation in the Vehicle Allowance cannot be terminated without following due processes as prescribed in terms of labour legislation.

6.2. The following processes are herewith recognised:

- 6.2.1. Negotiation with affected parties and organized labour relative to any possible reduction in employee benefits as may be permitted in terms of the provisions of Collective Agreements, with a view of reaching consensus and agreement on any such reduction and/or amendment to employee benefits;
- 6.2.2. Restructuring due to economic circumstances where due processes as prescribed in terms of labour legislation shall be followed so as to restructure the staff establishment of the institution which process may include a review of the employee benefits as may be permitted in terms of Collective Agreements.
- 6.2.3. Where participation in the Vehicle Allowance Scheme has been implemented without the required resolution of the municipality such participation must be regarded as invalid and the municipality at its discretion terminate participation on written notice as the municipal manager may determine.

6.3. Participation in the Vehicle Allowance Scheme shall be terminated with immediate effect, and without further notice, in instances where an employee is demoted through the disciplinary processes to a position lower than TASK Grade 14.

## 7. **Dispute resolution**

7.1. Disputes on the interpretation and application of this Policy shall be dealt with through internal grievance procedures and/or the Eastern Cape Division of the South African Local Government Bargaining Council.

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**C DU PLESSIS**  
**MUNICIPAL MANAGER**

30 October 2018

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**DATE**