



VEHICLE ALLOWANCE POLICY

Date Approved	Version	Resolution Number
	1	

*The Municipal Manager
Senqu Local Municipality
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1. PURPOSE

The purpose of this policy is to phase out the Municipality's fleet of vehicles by providing a more cost effective and beneficial system where officials are encouraged to purchase their own fit for purpose vehicles privately or at reduced costs subsidised through a monthly allowance to fulfil their duties.

2. DEFINITIONS

For the purposes of this policy, the following definitions shall apply:-

- 2.1. **"AA rates"** means the rates per kilometre travelled published by the Automobile Association of South Africa from time to time, the AA rates for 2021 are recorded in Tables A and B hereto;
- 2.2. **"allowance"** means the [insert]
- 2.3. **"Council"** means the council of the Municipality;
- 2.4. **"manager"** means a person employed by the Municipality as a middle manager and who is operating at the tactical skills level in terms of the SALGA TASK manual
- 2.5. **"Municipality"** means the Senqu Local Municipality;
- 2.6. **"official"** means a senior managers and / or a manager;
- 2.7. **"policy"** means the Municipality's vehicle allowance policy;
- 2.8. **"senior manager"** means a senior manager directly accountable to the municipal manager as contemplated in, and appointed in terms of section 56 of the Local Government: Municipal Systems Act 32 of 2000;
- 2.9. **"subsidised vehicle"** means a vehicle purchased privately or through the transversal term contracts facilitated by the National Treasury;

3. APPLICATION OF THE POLICY

- 3.1. Managers are eligible to acquire subsidised vehicles and to receive the allowance.
- 3.2. Senior managers are also eligible to acquire subsidised vehicles but may not receive the allowance as they are employed on a cost to company basis.

4. SUBSIDISED VEHICLES

- 4.1. The Municipality has participated in the transversal term contracts facilitated by the National Treasury for the supply and delivery of inter alia sedan, light and heavy commercial vehicles.
- 4.2. Officials who wish to acquire a subsidised vehicle must submit an application to his/ her directorate in compliance with the National Treasury Circular dated 08 November 2019. A copy of the circular can be obtained from Human Resources.

- 4.3. Officials are however not prohibited from purchasing vehicles privately. These must however be registered through the Human Resources as vehicles that will also be used for the official business of the Municipality.

5. THE ALLOWANCE

- 5.1. The allowance is based on the aggregate of the fixed and running costs of a vehicle as set out in the AA rates.
- 5.2. The fixed costs are calculated based on the engine capacity and total running costs. A basic monthly distance of 850 kilometres is allocated to managers within the municipal jurisdiction.
- 5.3. The running costs are calculated based on the engine capacity, service & service repair costs, tyre and fuel type used of the manager's vehicle as set out in Table A.
- 5.4. Managers are required to maintain a log sheet for all travelling for the performance of his / her official duties.
- 5.5. For travelling in excess of minimum kilometres per month allocated in 5.2 above for the performance of his / her official duties and outside the jurisdiction of the municipality, managers will be compensated in accordance with the prescribed tariff for total running costs for the actual distance travelled, based on the Department of Transport rates (sub scheme A) as determined from time to time.

6. OBLIGATIONS OF OFFICIALS

- 6.1. All officials are required to provide their own fit for purpose vehicle in order to fulfil their duties as employees of the Municipality.
- 6.2. Officials are required to provide proof that they are the registered or beneficial owner of the vehicle for which an allowance will be paid.
- 6.3. Officials are responsible for the payment of any insurance on their vehicles. Where officials' vehicles are insured under the Municipality's insurance cover, they are required to reimburse the Municipality for such costs.

7. EXCLUSIONS

- 7.1. Travelling between an official's place of residence and the place of work will not be calculated as travelling for the performance of his / her official duties.
- 7.2. Any person who derives a benefit from this policy shall be precluded from using any vehicle of the Municipality for any purpose save with the prior written approval of the municipal manager.

8. INDEMNITY

Officials will be required to sign an indemnity form, obtainable from the Finance Directorate, as a condition of receiving the allowance. This is to indemnify the Council against any claim while their vehicle is being used for official purposes.

9. APPLICABILITY

This policy will be effective as of 01 July 2021.

APPROVAL OF THE POLICY

Date of Approval by Council:

Resolution Number

MUNICIPALMANAGER

DATE

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TABLE A
VEHICLE ALLOWANCE

PROPOSED RATES BASED ON THE 2015 POLICY

NAME (on approval)	ENGINE CAPACITY	CAR ALLOWANCE
	1501 - 1.800	12162.25
	1801 - 2000	12453.98
	2001 - 2500	12869.82
	2501 - 3000	13113.34

Diesel

NAME (on approval)	ENGINE CAPACITY	CAR ALLOWANCE
	LESS THAN 2000	11869.78
	2001 - 2500	12039.86
	2501 - 3000	12437.23
	3001 - 4000	12752.55

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