

NDLAMBE MUNICIPALITY



ESSENTIAL USER CAR SCHEME POLICY 2023

ESSENTIAL USER CAR SCHEME

1 APPLICATION

This policy shall be observed by the Ndlambe Local Municipality. It will apply to all employees of Ndlambe Municipality who qualify for and/or apply for participation in the Essential User Car Scheme under the criteria set out below.

2 AIM OF SCHEME

Employees may qualify for participation in the Essential User Scheme where the duties of such an employee necessitate the daily use of a vehicle, where Ndlambe Municipality does not provide an official vehicle for such duties, and where the employee, per the agreement, provides a vehicle for the execution of the duties attached to the employee's position.

The essential user car scheme must be seen as an operational allowance and not as a condition of service.

The Essential User Scheme is not linked to or reserved for any post designation, task grade, or post level. However, qualifying staff must be at Task Grade 12 and higher and this does not waive the requirement of the scheme

3 CRITERIA FOR PARTICIPATION

- Employees shall only be considered for participation in the Essential User Scheme where Ndlambe Municipality does not provide an official vehicle for use by the Employee in the execution of duties attached to the position the Employee holds;
 - The position the Employee holds must require the regular use of a vehicle equal to not less than 600 kilometres per month, averaged over a six (6) month period within the jurisdiction of Ndlambe
 - Where an Employee travels less than 600 kilometres per month in the execution of the duties attached to the position the Employee holds, the Employee shall be compensated for costs incurred in travelling as per the provisions of the Traveling and Substance Policy of Ndlambe Municipality;
 - The department in which the Employee is employed must ensure that sufficient funds have been provided on the budget to cover the cost of the Essential User Scheme Allowance payable to the Employee
 - Continued participation in the scheme shall require the constant and continued completion of vehicle log books by the employee, with the necessary trip authorizations completed by the employee's immediate supervisor and verified by the Head of the relevant department.
 - Continued participation in the scheme shall require the annual submission of vehicle invoices to the Human Resources
- In considering applications for participation, the head of the department shall, through the office of the Director Corporate Services submit the following to the Municipal Manager for consideration:
- The authorized vehicle log sheets for a period not less than six (6) months in respect of the employee in respect of whom an application is made for participation, or if the position qualifies automatically as per the inherent requirement, the requirement will not be needed.
 - A motivation for participation by the employee, detailing the following aspects:

- How is the department currently dealing with the transportation needs attached to the position?
- Is there an existing Council vehicle in use or an alternative vehicle available for use?
- Is participation in the Essential User Scheme the most economic option?
- What are the job requirements of the incumbent, and does it require a specific type of vehicle for official use?
- Does the duty of the employee require the frequent transportation of heavy goods or machinery?
- Is the employee's current vehicle suitable for official use? Does the vehicle belong to the employee?

4. WHICH EMPLOYEES QUALIFY FOR THE SCHEME

- 4.1 Where an employee must regularly make use of transport to perform his/her official duties, the Municipal Manager or Delegate may, at his/her sole discretion, approve an essential user transport allowance to such an employee for the use of his/her private vehicle. The Municipal Manager or Delegate also reserves the right to immediately withdraw an employee from the scheme should any of the criteria under which the employee was allowed to participate in the scheme not be met.
- 4.2 Participation in the scheme shall be restricted to those employees who:
- are permanently signed or have not less than a one-year contract.
 - continuous daily use of motor transport to perform their official duties efficiently. Operate under circumstances where his/her regular use of an official Council pool vehicle becomes impractical or uneconomical.
 - Are not required to drive either a 'functional' vehicle with special fittings or with municipal logo/markings as part of their normal official duties. Travel a minimum of 600km per month and a maximum of 2000km per month on official duties within the jurisdiction of Ndlambe.
 - Has a suitable vehicle available, registered in the name of the employee.

5. CALCULATION OF ALLOWANCE

The allowance payable will be under the following elements:

A fixed amount of R6000 monthly allowance will be paid directly

In cases of any absence from duty, the allowance will not be paid except under the following circumstances:

when the employee is absent on annual leave.

when the employee is delegated on Council business;

when the employee is absent during the paid portion of maternity leave or full maternity leave.

when an employee is suspended on full pay.

6. ADJUSTMENT TO ALLOWANCE

The allowance is a fixed amount, and the review shall be at the discretion of the council,

considering economic factors.

7. HOME-TO-OFFICE TRIPS

The Essential User Scheme allowance is only payable for official kilometres travelled for the execution of official duties and shall not be paid for trips between the place of residence of the employee and his or her place of work.

The only exception to this rule is in the event of an after-hours call out where the employee has to travel from his home to the location where his/her services are required or concerning an identified post as determined by the Municipal Manager.

8. AVAILABILITY OF VEHICLE

Participation in the scheme contractually binds the participating employee to provide his/her transport on a full-time basis to fulfill his/her duties as an official of the municipality, following the requirements of his/her post.

If a vehicle, in respect of which a transport allowance is paid, breaks down and as a result is unavailable for use, it shall be the employee's responsibility to provide a suitable replacement vehicle. If necessary the employee will have to make available a temporary suitable vehicle for use at his/her own cost.

The employee shall at all times be responsible to inform the employer of any replacement vehicle provided and shall submit the following details relative to the replacement vehicle, type of vehicle, make, model and engine size.

9. FURTHER CONDITION

- 9.1 Subject to the provisions of paragraph 3 of clause 8 above, each departmental head shall indicate the post that qualifies for participation in the scheme. The number of kilometres that are requested shall be verified and a final decision shall be made by the authorized authority.
- 9.2 A vehicle purchase/used in terms of the scheme shall be required by the employee's Head of Department, to be suited to the nature of the employee's post, e.g. if the job content requires the use of an LDV, the employee cannot purchase a sedan.
- 9.3 Monitoring of vehicle usage will be conducted at monthly intervals. Heads of departments are, therefore, required to ensure that records reflecting official trips and distance travelled of a vehicle participating in the scheme are in use and kept up to date at all times.
- 9.4 Employees participating in the scheme shall be required to meet the maintenance repair costs of their vehicles and keep the vehicles in a roadworthy condition at all times.
- 9.5 No employee in any post shall be entitled to claim participation in the scheme as a right.
- 9.6 Where an employee chooses not to participate in the scheme, it shall be the Council's responsibility to provide the employee with official Council transport for the performance of his/her duties, provided that agreement to participate in the scheme shall contractually bind the Employee to provide a vehicle for official purposes for at least six (6) months. The Employee is thus under an obligation to give six (6) months' notice to Ndlambe Municipality if the Employee has the intention to withdraw from participating in the scheme.

- 9.7 If any employee participating in the scheme is promoted or appointed to a post which does not qualify for such benefits, a new contractual relationship is created and the employee concerned will not be able to claim continuation of allowance.
- 9.8 Private vehicles including vehicles of subsidized employees shall not be permitted in the Municipal workshop, and no work shall be done on such vehicles.

Employees who participate in the scheme must comply with the following:

- A daily log be completed on the prescribed form.
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N.B the participation must ensure that such accessories that would normally have been installed in the vehicle by the Municipality, e.g. radio and antenna are installed at the cost of the Municipality.

- 9.10 Employees participating in this scheme will not be entitled to official parking facilities because they participated in this scheme but will be dealt with following Council's Parking Policy.
- 9.11 Employees who do not qualify for Essential User participation but are required to use their vehicles for official Council purposes will be paid in terms of the Subsistence and Travell Policy.

10. TERMINATION

Ndlambe Municipality shall have the right to terminate participation in the Essential User Scheme in writing upon giving six (6) months' notice to the Employee;

The Employee shall be entitled to terminate participation in the scheme upon giving six (6) months' written notice to Ndlambe Municipality;

Participation in the scheme shall automatically terminate on termination of service of the Employee for whatever reason;

Non-compliance with the provisions of this policy subject to disciplinary procedures may result in the immediate termination of participation of any Employee irrespective of other notice periods that may be reflected in this policy.

11. DATE OF APPLICATION OF POLICY

This policy shall come into effect from the first day of the month succeeding approval thereof by the Council of the Municipality.