Medium Term Revenue and Expenditure Framework (MTREF)

Adjustments Budget
Annexure 4 – HR Policies
2017/2018
1. POLICY STATEMENT

The Municipality recognizes that its Human Resources is its most valuable asset. Effort should be made to retain staff, where investment has been made into their training and development. Effort should also be made to recruit and retain staff with already developed scarce skills.

It is the responsibility of the employer to determine the strategic and operational needs of the organization. The Employer needs to identify the critical skills shortages and how to attract individuals who have the skills required to achieve the turnaround strategy of Council and retaining those individuals once appointed.

2. OBJECTIVES

The Scarce Skills Policy aims to:

- Identify scarce skills within local government sector and in particular within the Knysna Municipality.
- Guide the recruitment of individuals with scarce skills;
- Introduce mechanisms to retain the employees with the scarce skills after appointment by inter alia implementing an allowance to retain their services.

3. DEFINITION

Scarce Skills are disciplines and fields of occupations where the Municipality finds it difficult to attract, recruit and retain staff.

4. FUNDAMENTAL PRINCIPLES

The scarce skills and retention Policy is based on the following fundamental principles –

- It is the responsibility of the employer to identify fields or disciplines of fields where the Municipality finds it difficult to attract, recruit and retain staff;
- the Municipality must demonstrate difficulty in attracting and retaining critical expertise in certain fields\jobs due to the limitations set by the collective agreements on salaries, job evaluation, regulations on upper limit of remuneration packages payable to Municipal
manager and managers directly accountable to Municipal manager and the categorization of municipalities;
- the Scarce Skills Policy and its implementation must be fundamentally aimed at identifying (within the context and environment of Knysna Municipality) those critical skills shortages, attracting individuals who have the skills required and retaining those individuals once appointed; and
- it is the responsibility of the Municipality to develop and retain especially those employees who have skills that are scarce and in high demand.
- In order to enable the employer to adhere to the requirements of the Employment Equity Act to ensure representation of previously disadvantaged groups in all occupational categories, it is necessary to take unusual steps to identify, develop and retain individuals that will relieve the critical skills shortages in the long run and will ensure appropriate representation within all occupational categories and levels in these fields.
- it is the responsibility of the Municipality to identify and develop internal employees who possess the potential, to be trained or developed to meet the required needs for scarce skills.
- Measures that deal with the attraction and retention of scarce skills must aim to address the problem in the short term and in the long term.
- The scarce skills and retention policy needs to be reviewed on an annual basis to ensure that the identification, attraction and retention of individuals with the skills that are in need are updated and therefore relevant at all times.
- A prerequisite for the retention of scarce skills is that the necessary support in terms of backup, personnel and systems is in place to enable them to perform their duties adequately.

5. IDENTIFYING SCARCE SKILLS

It is the responsibility of Council to identify certain posts and/or occupational categories affected by skills scarcity. Directors shall, in consultation with Human Resources, identify occupational groups affected by a scarce skills challenge using the any or all of the following criteria:

5.1 the turnover rate of employees in a particular occupation must be significantly above the turnover experienced in the Municipality;
5.2 the inability of the departments to meet the demands of the tasks or the technical requirements defined by the tasks;
5.3 the duration of the skills shortfall that cannot be accommodated from within departmental staff;
5.4 high vacancy rate;
5.5 the demand for particular skills exceeds the supply;
5.6 there must be a shortfall for the identified skill in the local, provincial and national government market;
5.7 vacancies in the identified field or occupational category should be proven to be difficult to fill;
5.8 the skills must require an advanced knowledge in a field, science or discipline obtained through formal studies and\or(delete) specialized instruction and\or(delete) years of service or experience;

5.9 the skills\knowledge\experience must be critical to a specific project and\or(delete) service; and

5.10 reasons\factors given by employees with scarce skills for leaving the service of the Municipality.

5.11 In the case of managers directly accountable to municipal manager, the determination of skills scarcity may take into account the number of eligible, applications, the number of eligible candidates that were identified during the recruitment of the incumbent in the post, and the skills scarcities relating to the functional departments accountable to that particular senior manager.

5.12 List of all occupational groups which meet the above criteria must be submitted to the Municipal Manager who in consultation with Human Resources will designate the occupational groups as falling in the category of “scarce skills”

5.13 All occupational groups determined in terms of clause 5.11 above shall be reviewed every twelve (12) months to allow for the relevant adjustments, based on changing trends and to confirm whether the occupations remain scarce.

6. REWARD STRATEGY FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

6.1 SHORT TERM SOLUTIONS FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

The municipality is experiencing difficulty in attracting and retaining the services of individuals from designated and non-designated groups with scarce skills due to the obligation the employer has to adhere to the collective agreements regulating the salary scales and evaluation of jobs of occupations / designations within the municipality.

6.1.1 Occupational groups, designations and individual cases identified in terms of clause 6 above may be rewarded at a different rate / salary to attract and retain their skills and the reward can be in one of the following ways:

6.1.1.1 A scarce skills allowance to be paid to the individual as set out in clause 8 below; or

6.1.1.2 Increase in guaranteed pay subject to the maximum of the pay range; or

6.1.1.3 Any other method recommended or agreed upon

6.1.2 Housing could be identified and reserved for occupation by employees identified in the fields of scarce skills.

6.1.2.1 Preference should be given to employees with scarce skills in the policy guiding the allocation of staff housing.
6.1.2.2 They would be required to pay market related rent to occupy the houses.

6.1.2.3 Occupation of the houses should be directly linked to the scarcity of their skills. A contract should deal with the occupation and reasons for vacation of the house should the employee leave the services of Knysna Municipality or should they apply for a position for which no scarcity of skills exists or should the particular skill no longer be regarded as scarce in the re-evaluation process.

6.1.3 Depending on the critical status of the skills needed appointing a consultant on a short term basis to ensure the successful completion of a project / task could be considered.

Directors requesting a scarcity allowance to be paid for an occupational group and/or specific post must submit, bearing inter alia paragraph 4 above in mind, a motivation to the Manager Human Resources and the Municipal Manager for approval.

6.2 LONGER TERM SOLUTION FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

The municipality is experiencing difficulty in attracting and retaining the services of individuals from designated groups due to the high demand in the local and international market for these individuals and/or the prolonged course of study / years of service required for a specific designation / occupation.

6.2.1 Provision of conditional bursaries for qualifying learners who wish to pursue studies in a field that has been identified as a scarce skill for at least 3 consecutive years.

6.2.1.1 Such identified learners could be offered bursaries to enable them to study in the various identified fields with an obligation to work for the municipality after obtaining their required qualifications for the number of years they received a bursary.

6.2.1.2 A Bursary fund should be put in place to which a designated amount is allocated by the municipality and to which members of the public and organizations can contribute and for which funds can be raised.

6.2.1.3 Learners who leave the employment of the municipality before they have worked back the years they received a bursary should be obliged to pay an amount proportional to the bursary they received and the years work into the bursary fund referred to in 6.2.1.2 above designated for the training of learners in the fields identified as scarce.
6.2.1.4 Graduates employed in terms of this provision shall be offered employment on a contract basis commensurate with the number of years that they have studied, with no eligibility for a scarce skills allowance during that time.

6.3.1 The municipality must ensure that in consultation with the LGSETA Internships in fields that have being identified as scarce are identified and funded / supplemented through the Skills levy paid by Knysna Municipality in terms of its obligations under the Skills Development Levies Act.

6.3.1.1 The municipality must ensure that these internships are taken up and implemented to enable the municipality to attract individuals at an early stage in fields of scarce skills and where experience is a necessity for the performance of a function / job.

6.3.1.2 Individuals who formed part of an internship should be accommodated by providing time off to obtain the necessary qualifications in the fields identified.

6.3.1.3 Individuals who formed part of an internship program at Knysna Municipality should be given preferential treatment when they apply for jobs after finishing their internship.

6.4.1 Internal employees who have demonstrated the potential to qualify themselves in fields where a scare skill exists should be identified.

6.4.1.1 Such identified employees should be offered bursaries to enable them to study part time in the various identified fields with an obligation to work for the municipality after obtaining their required qualifications for the number of years they received a bursary.

6.3.1.2 Funds for these bursaries can be obtained from the same fund referred to in 6.2.1.2 above.

6.3.1.3 Employees who leave the employment of the municipality before they have worked back the years they received a bursary should be obliged to pay an amount proportional to the bursary they received and the years work into the bursary fund referred to in 6.2.3 below designated for the training of the learners / individuals in the fields identified as scarce.

6.3.1.4 Employees who are studying part time have to be accommodated to enable them to attend classes and exams where necessary during work hours.

The Municipality must put measures in place to ensure a transfer of skills by employees with scarce skills takes place during their employment with the municipality by putting a mentoring program in place. This will also ensure that a sustainable pool of individuals is established for future use. Proposals and submissions in this regard must be obtained from the directors who have identified the scarce skills within their directorates.
7.1 The scarcity allowance must be re-evaluated on an annual basis to allow for adjustments, based on changing trends and to confirm whether the posts and/or occupational groups originally affected by a scarce skills challenge remain scarce.

Should a skill no longer be identified as scarce by the Municipal Manager, the allowance will no longer be applicable to any new appointments in that occupational group or field.

8 PAYMENT OF SCARCITY ALLOWANCE

8.1 FACTORS THAT INFLUENCE THE SCARCITY ALLOWANCES

The payment of a scarcity allowance should enable the municipality to attract and retain scarce skills within its budgetary constraints.

8.1.1

8.1.2 HOD recommendations to be submitted to human resources. Human Resources will make a recommendation to the Municipal Manager for approval taking into account the list of Council approved scarce skills each year.

8.1.3 A (non-pensionable) scarcity allowance calculated at the following % of an employee’s annual basic salary, may be payable:

4%, 8%, 12% to a maximum of 16%.

8.1.4 The scarcity allowance will be implemented on the first notch of the T level salary scale irrespective of what level the employee is current on.

8.1.5 Senior managers will only be granted a scarcity allowance on council approval under a separate council item to be submitted to council.

8.1.6 All normal recruitment processes must have being exhausted before a motivation is submitted for the payment of a scarcity allowance.

8.1.7 Allowances should allow for both the possession of skills and extent of the utilization of those skills in the general performance of duties.

8.1.8 An employee who is in possession of additional superior qualifications, which makes such a candidate suitable for succession planning, may also be paid an additional allowance as a retention allowance subject to the proviso that the total of both allowances must not exceed a maximum of 16% in order to ensure retention within the Municipality.

9 PAYMENT OF A HIGHER SALARY WITHIN A RANGE
9.1 The municipality is bound by collective agreements relating to job evaluation and salary scales which provide for the appointment of external candidates on the starting notch/salary of a specific post. The municipality can offer an individual a commencing salary within the range of the scale.

9.1.1 When external candidates are appointed they may be offered a commencing salary between the minimum and high point pay range based on the candidates experience, knowledge, competence and scarcity of the skill he / she possesses.

9.1.2 To counter offer on current employees, Municipality may, in addition to paragraph 8, be offered a commencing salary between the minimum and high point pay range of a specific post.

9.1.3 The range mentioned in 8.1 above must be approved by the Municipal Manager.

9.1.4 The Municipal Manager must, in considering a recommendation in 8.2 above, take into account a candidate’s experience, knowledge, competence and the scarcity of the skill such a candidate possesses.

10 STAFF RETENTION CRITERIA AND PROCEDURES

In an effort to retain highly qualified and skilled employees any or all of the following criteria and responsibilities should apply when considering targeted allowances:

10.1 the employee must receive a bona fide offer of employment from another employer, which offer must be in writing and includes details of the salary/remuneration offered to the employee, subject thereto that the Director recommending the retention must verify the offer and provide a concise written justification along with a copy of the offer letter;

10.2 the employee must, over and above the required qualifications, be in possession of additional superior qualifications making such an incumbent suitable for succession planning;

10.3 the recommendation must be detailed and must be in line with budgetary constraints and any other implications the recommendation could have on the department and the municipality in general; and

10.4 the motivation in 9.1 must be submitted to the Municipal Manager for final approval;

10.5 any counter offers made to the employee and which amend his/her current employment contract must be confirmed in writing and be duly accepted by the employee.
1. PURPOSE

1.1 It is essential for representatives of the Municipality to from time to time travel to other towns and cities in order to establish and maintain links and relationships with other Municipalities, Government bodies, and other parties, institutions and organizations operating in or interacting with the sphere of Local Government.

1.2 It is also important for representatives of the Municipality to broaden their knowledge and understanding of and compare local experiences in Local Government transformation, innovation and changes in the rest of the country, and this can only be done effectively through the medium of personal contact with a wide range of Local Government stakeholders.

1.3 The purpose of this policy is to regulate how travelling and subsistence costs are paid to staff members and Councillors required to undertake approved Council business which involves incurring expenses for travel, lodging, meals and other costs for attending conferences, meetings, seminars, training and conducting other Council business.

1.4 This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling.

2. DEFINITIONS

2.1 For the purposes of a subsistence allowance, a representative shall mean:

2.1.1 Executive Mayor;
2.1.2 Deputy Executive Mayor;
2.1.3 Speaker;
2.1.4 Members of the Mayoral Committee;
2.1.5 other Councillors specifically authorised to represent the municipality on a particular occasion;
2.1.6 Municipal Manager;
2.1.7 Directors;
2.1.8 Any other official specifically authorised to represent the municipality on a particular occasion;
2.1.9 Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution;
2.1.10 Any other person who is granted permission to attend meetings, conferences by the Municipal Manager;
2.1.11 A subsistence and travel allowance is an amount of money paid by the municipality to a representative;
2.1.12 Government rates: rates charged by Hotels for government institutions which are lower than the normal rates charged.

2.2 For the purposes of this policy, domestic travel shall mean travel within South Africa; and
2.3 International travel shall mean travel to any country other than South Africa.
2.4 Normal workplace means the town where the employee is stationed required to perform his or her duties.
2.5 A day is calculated as a single 24 hour period, which commences at time of departure from the normal workplace.

3. **ADVANCE (APPLICABLE TO INTERNATIONAL TRIPS ONLY)**

An advance is typically an amount of money that is granted by an employer to an employee in circumstances where the employer is certain that the employee will incur business related expenses on behalf of the employer, and where the employee is obliged to prove or account for the business related expenditure to the employer. The amount of the advance is based on the business related expenditure. Where the actual expenses incurred are less than the advance granted, the employer recovers the difference from the employee, and vice versa.

4. **POLICY**

4.1 Responsibilities of representatives who travel on business of the Municipality:

4.1.1 Every representative who travels on the business of the Municipality must comply with this policy in letter and in spirit;
4.1.2 Representatives who travel on the business of the Municipality must appreciate, at all times, that they are ambassadors for the Municipality, that their action, conduct and statements must be in the best interests of the Municipality, and that they must comply with any specific mandates they have been given;
4.1.3 Consistent with the Municipality's performance monitoring and evaluation objectives, the Municipal Manager will ensure that a database of all representatives and official travelling is kept. The Municipal Manager may delegate this to the Directors.

4.1.4 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event.

4.1.5 Any Council funds which were appropriated for the purposes of the subsistence and travel requirements of an individual and which are not fully utilised by that individual MUST be paid back to Council within 48 hours of returning. Failure to adhere to this requirement may result in disciplinary and criminal proceedings being undertaken by Council.

4.2 Subsistence and travel allowance

4.2.1 Purpose

4.2.1.1 All journeys undertaken must contribute to the Council’s business of developing, obtaining or transferring of knowledge or to communicate and promote or administer the Council’s interest.

4.2.1.2 The object of a journey is to justify the cost; therefore all journeys and medium of transport must be motivated.

4.2.1.3 Compensation for business journeys is designed to cover the reasonable cost by employees for expenditure incurred as a result of a journey undertaken.

4.2.1.4 Journeys must be planned thoroughly in order to complete it in the most efficient and cost effective manner.

4.2.1.5 The bulk of the travelling should be done within the working hours of Council. If not possible, travelling must be cost effective.

4.2.2 Authorization

4.2.2.1 All journeys must be authorized beforehand.

4.2.2.2 Only the Municipal Manager or an official with the necessary delegated authority may authorize any travel to be undertaken by Directors outside the Municipal geographical boundaries or payments to be made for persons invited for interviews.

4.2.2.3 Only the Director of the relevant Directorate may authorize any travel to be undertaken by officials in his/her Directorate.

4.2.2.4 Only the Executive Mayor and the Speaker as the case may be, may approve any travelling to be undertaken by the Executive Deputy Mayor and any other
Councillor. The Municipal Manager will authorise the expenditure related to the trip;

4.2.2.5 If the Executive Mayor and the Speaker approved their own travel on municipal business, they must inform the Municipal Manager thereof and they must report to the following Council Meeting on the nature and reasons for such travel and the expenses incurred and funding available.

4.2.2.6 The approval is subject to the provision of funding for expenses incurred on the approved budget of the relevant department/business unit.

4.2.2.7 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. Prior required authorization must still be obtained from the Municipal Manager, Executive Mayor or Speaker as the case may be. If any representative fails to do so, or leave the event before its conclusion, the Executive Mayor and Speaker or the Municipal Manager, as the case may be, may recover all allowances and disbursements paid to such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not getting prior approval and/or not being able to be present from the commencement to conclusion of such event.

4.2.2.8 Councillors will be paid according to the prescribed SALGA Circular.

4.2.2.9 Travelling and subsistence will not be paid in cases where it is being paid for by the host or person who extended the invitation.

4.2.2.10 The Councillors and officials must abide with the report back policy in terms of submission of report when they are attending official business of Council.

4.2.3 **Loss or damage**

4.2.3.1 Loss or damage which includes unauthorized payments or fruitless expenditure caused by Councillors must be brought under the attention of the Executive Mayor and where caused by officials must be brought to the attention of the Municipal Manager for further investigation and action.

4.2.4 **Nature**

4.2.4.1 The following type of expenses may result from performing official duties away from the normal workplace:

4.2.4.1.1 Accommodation: A three or four star hotel or guest house to a maximum amount of R1500 per night for Councillors for bed and breakfast accommodation with the exception of the Executive Mayor who may make use of a four star hotel or guest house to a maximum
of **R1800** per night for bed and breakfast. This amount will increase annually in line with CPI;

4.2.4.1.2 Meals and non-alcoholic drinks;

4.2.4.1.3 Toll gate fees;

4.2.4.1.4 Official telephone calls & faxes;

4.2.4.1.5 Official transport expenses, such as public transport;

4.2.4.1.6 Washing and ironing of clothes. If away for longer than one week;

4.2.4.1.7 Bank charges payable for the exchange of foreign currency;

4.2.4.1.8 Official parking fees;

4.2.4.1.9 Official car rental;

Proof of expenditure must be provided for each item claimed.

4.2.5 **Personal Recreation**

A subsistence allowance does not cover any personal recreation.

4.2.6 **Compensation**

For the inconvenience of sleeping away from home the traveller will receive an amount of **R50 per night**.

4.2.7 **Accommodation:**

4.2.7.1 Representatives who travel on the business of the Municipality, where the business unavoidable entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse, bed and breakfast establishment or with family and friends.

4.2.7.2 The cost of accommodation will be borne by the Municipality, subject to a maximum of **R1200.00 per night for officials and R1500 per night for Councillors**. Such cost will include the cost of a breakfast. Claims by officials and Councillors exceeding this are subject to proper motivation to the Municipal Manager for authorization. These amounts should be subject to, and amended from time to time in accordance to Travel Agents guidelines on Industry Rate Norms.

4.2.7.3 Where such accommodation is available, the rate for a single room will be payable.

4.2.7.4 The payments for overnight accommodation may be paid directly through bookings to the preferred place of accommodation or the Councillor / representative can pay the establishment directly and submit requisition claims for payment of their expenditure upon their return.
4.2.7.5 Where the Councillor or officials stays with a relative or a friend the R750 per night (assumed as bed and breakfast) will be payable without the submission of an invoice.

4.2.7.6 Request for payment of reservation must be submitted at least three days before departure to enable the administration to process the claim. If this is not strictly adhered to, the official or Councillor will have to pay for the accommodation her/himself and claim the money back from Council.

4.2.7.7 Where an event starts on or before 10h00 on the first day, accommodation can be arranged for the previous night when a delegate has to travel for more than 250 km.

4.2.7.8 Where an event concludes after 16h30, delegates can arrange for overnight accommodation when a delegate has to travel 250km or more to reach his/her place of residence.

4.2.7.9 With reference to paragraph 4.2.7.7 and 4.2.7.8 above, where Councillors and officials are required to attend an event for more than one consecutive day to the same destination within the range of 250km, the approval for delegates to sleep over rather than travel back daily, be left to the discretion of the Director and Municipal Manager.

4.2.8 Meals:

4.2.8.1 Above the amount of R750.00 the traveller may claim a maximum meal allowance of:

- R70 for lunch
- R120 for supper

If the traveller does not sleep over the night before and leave before 7am they may claim R70 for breakfast. The traveller may claim only for supper if he or she arrives home after 19:00.

4.2.9 Hence the total claimable amount per day will be **R1010.00 for private stay** if the traveller sleeps over plus the amount of R50 for inconvenience.

4.2.10 On the road costs within the Municipal area are not paid.

4.2.11 Transportation:

4.2.11.1 Representatives must utilize the most economic means of transport available.

4.2.11.2 Whatever means of transport is used (airplane, motor car, taxi, train,
etc.), the cost factor must be calculated in terms of monitory value (Rand and Cent). The following aspects must be taken into consideration.

4.2.11.2.1 Cost of economic class airplane ticket;
4.2.11.2.2 Car rental – set the limit on class;
4.2.11.2.3 Time to reach destination;
4.2.11.2.4 Productivity aspects;
4.2.11.2.5 Cost of private transport;
4.2.11.2.6 Cost of vehicle motor scheme;
4.2.11.2.7 Number of delegation.

4.2.11.3 Private vehicles (officials not participating in motor car scheme) may only be used if authorized by the official’s Director in advance, claims will be based on the rates of the Department of Transport.

4.2.11.4 Claims for private vehicles will be paid a flat rate calculated at R/ per kilometre. The Municipal Manager will determine that rate annually at the beginning of the financial year bearing in mind the average CPI of the preceding year.

4.2.11.5 The distance to which the reimbursement applies, must be the shortest distance between the Municipality’s offices or the place of residence of the delegate and the location where the official business is to be transacted.

4.2.11.6 Where possible representatives must travel together, up to four in a vehicle, to minimize travelling expenses.

4.2.12 Entitlement

4.2.12.1 All claims submitted must be supported by corroborating documentation.

4.2.12.2 On returning an employee can submit additional invoices which will then be reimbursed after approval.

4.2.12.3 No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance if the trip or travel is not related to the official business of the Municipality.

4.2.13 Entertainment of other people

4.2.13.1 Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable).
4.2.13.2 If a representative of the Municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.

4.2.13.3 A single meal cannot be reimbursed as BOTH entertainment and subsistence. Eg if entertaining at supper cannot also claim supper allowance.

4.2.14 Car rental

Vehicle may be rented by Councillors and officials who travel on Council business. Up to a “D” or “E” category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle (for example, when the number of representatives involved could justify the hire of a micro-bus). Officials and Councillors attending the same event must rationalise on car rental and share cars wherever possible.

4.2.14.1 Car rental must be approved as part of the travel package before the trip is embarked on.

4.2.14.2 A representative who rents a vehicle whilst travelling on the business of the Municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

4.2.15 Insurance

4.2.15.1 Official transport:

4.2.15.1.1 Accidents with official transport must be reported to the Municipal Manager and Insurance section immediately and will be investigated.

4.2.15.1.2 Disciplinary action will be based on the ruling of the investigation.

4.2.15.2 Private transport:

4.2.15.2.1 Accidents with private transport will be covered by the owner of the vehicle.

4.2.15.2.2 Council is not responsible for any payment thereof.

4.2.16 Transport of private persons

4.2.16.1 The use of official transport to transport private persons is strictly forbidden.

4.2.16.2 Subsistence and travel allowances for persons invited for interviews will be paid by Council.
4.2.17 Traffic fines

The driver of an official vehicle at the time of an offence is responsible for the payment of any fine.

4.2.18 Overseas travel

4.2.18.1 Amount of Subsistence Allowance

- International Subsistence Allowance

The amount of subsistence allowance payable to employees embarking on International Travel is limited to the amount laid down by SARS annually for Income Tax exemption purposes.

The prescribed subsistence limits are updated annually on SARS’s website.

Subsistence allowances will be paid for each day the employee is away from home while on Municipal business. The number of days to be determined will be from the day and time the employee departs from his/her permanent place of residence and includes the day the employee arrives to his/her permanent place of residence.

Council will cover the health insurance and the life cover of the traveller.

4.2.18.2 Payment of International Travel Allowance

The subsistence allowance will be transferred to the employees’ bank account prior to the employee embarking on the business trip, provided all necessary procedures were duly followed.

Proof of expenditure or receipts are not required in respect of this allowance.

4.2.18.3 Tax implications

The subsistence allowance must be reflected in full on the IRP 5 certificate.

Employees Tax is not deducted from the subsistence allowance paid to employees, however, should the subsistence allowance exceed the limits prescribed by the SA Revenue Service (SARS), the full amount of the subsistence allowance must be included as a taxable subsistence allowance in the employee’s IRP5 certificate and may be subject to Income Tax in the employees annual income tax assessment.
The prescribed limits laid down by SA Revenue Services for subsistence allowances which are consequently exempt from tax are:

4.2.18.3 **Accommodation**

Accommodation is limited to the equivalent of a local three star establishment and is deemed to include bed and breakfast. The daily allowance is to be used for all other meals. Officials and Councillors may also claim back for:

- 4.2.18.3.1 Official telephone calls & faxes set a maximum
- 4.2.18.3.2 Official transport expenses, such as public transport
- 4.2.18.3.3 Washing and ironing of clothes. If away for longer than one week.
- 4.2.18.3.4 Bank charges payable for the exchange of foreign currency
- 4.2.18.3.5 Official Parking fees
- 4.2.18.3.6 Official car rental
- 4.2.18.3.7 Toll gate fees

Proof of these costs must be provided upon return, or an advance may be permitted assuming these costs are known. Should an advance be paid to the traveller, the traveller is responsible for ensuring the reconciliation thereof.

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1. **STANDBY DUTY**

1.1 An employee is entitled to a standby allowance when he is requested by written instruction by the Municipal Manager of his Superior to be available for the performance of duty outside his normal working hours.

1.2 The standby allowance shall be payable on the following conditions only:

1.2.1 When the employee is required to be available for duty for a period of at least eight hours during a 24 hour period (based on a 40-hour working week) after normal working hours.

1.2.2 Standby shall not exceed a calendar week provided that an employee shall not be on standby for more than two weeks per month, save where operational requirements dictate otherwise.

1.3 Every Municipality shall determine a delegation policy for the purposes of Clause 1.1. Where no such policy is in place, any written instruction by a Supervisor to perform standby duty shall qualify as an instruction for the purpose of clause 1.1. Such policy must be communicated to all employees.

1.4 Standby is calculated:

1.4.1 From the normal closing time of the employee’s place of work; or

1.4.2 on a day on which the employee is not normally required to work.

1.5 The standby allowance shall not affect or be affected by any remuneration for overtime worked by the employee during the period of standby duty.

1.6 The standby allowance shall be equal to 15 per cent of the normal hourly rate based on the pensionable salary formula:
1.6.1 Pensionable annual salary ÷ number of working days (calendar days – public holidays – weekends) ÷ 8 x 15% = hourly standby allowance; and

1.6.2 Shall be paid in a proportionate manner according to the actual number of hours on standby.

Note: The formula in clause 1.6.1 above could also be expressed as

\[ \frac{15}{100} \times \left( \frac{\text{annual pensionable salary} \div 249 \div 8}{} \right) \times \text{actual number of hours on standby}. \]
1 INTRODUCTION

Employees of Knysna Municipality work for 40 hours in a normal working week. Normal working hours start from Mondays to Fridays at 7h30 until 16h30. Some employees of Knysna Municipality are required to work shifts, on weekends and on public holidays.

Employees may from time to time be obligated to work outside their normal working hours.

2 LEGISLATION

Overtime is generally regulated by the Basic Conditions of Employment Act (BCEA-section 10) and the SALGA Collective Agreement and these provisions should govern overtime payment thereof.

3 DEFINITIONS

Overtime means the time that the employee works during a day or week in excess of the employee’s ordinary hours of work.

Emergency Overtime means work that must be done without delay because of circumstances for which the employer could not reasonably have expected to make provision and which cannot be performed by employees during their ordinary hours of work. Emergency work excludes the performance of routine maintenance work outside normal working hours. It is however the prerogative of the Employer to decide if any overtime not included in this definition qualifies as emergency overtime.

4 GUIDING PRINCIPLES

The working of overtime should be subject to very strict control measures and therefore only staff in a Supervisory capacity who have been authorized by his/her Director, shall be entitled to approve the performance of overtime by subordinates.

A monthly report on all overtime worked and the expenditure involved should be submitted to the Section 80 Committee for Finance and Government.

An employee will be entitled to paid overtime when he/she is requested by written instruction by the Municipal Manager or the employee’s Superior who is duly authorized to do so, to perform duties outside his normal working hours.

Employees on standby in terms of clause 10 of the Collective Agreement on Conditions of Service for
The Western Cape Division of the SALGBC (South African Local Government Bargaining Council), shall receive overtime payment.

5. **PURPOSE**

The purpose of this policy is to regulate overtime worked by employees outside their normal working hours.

6. **PROCEDURE FOR REMUNERATIVE OVERTIME**

6.1 Working overtime should be an exception rather than a rule, Supervisors must ensure that Overtime work is minimised.

6.2 Overtime shall be paid or time-off granted to all employees who qualify in terms of the BCEA.

6.3 Employees earning more than the overtime earnings threshold provided for in BCEA as amended and as determined from time to time, will be provided time off for overtime worked calculated on straight time basis (1 hour overtime worked = 1 hour time off), subject to the provisions of this policy. The approving authority and the employee involved must agree before hand on time-off for overtime worked.

6.4 In terms of Clause 10(1) (b) of the Basic Conditions of Employment Act, an employer may not require or permit an employee to:

   (a) To work overtime except in accordance with an agreement
   (b) To work more than:
       (i) Three hours’ overtime a day; or
       (ii) Ten hours’ overtime a week.

6.6 Supervisors must authorise overtime work only if the work is urgent and cannot be done during normal working hours.

6.7 The number of overtime hours required for such a task shall be agreed upon between the Supervisor and the employee, and shall not exceed the limits stipulated in Clause 6.4.

6.8 Where possible, work to be done should be stipulated beforehand indicating what needs to be done and for how long.

6.9 Attendance registers are signed by employees working overtime at the starting and finishing time and controlled by the Supervisor in charge.

6.10 Records of all overtime duties are kept.

6.11 Sufficient funds must be available to finance overtime pay.

6.12 It is the responsibility of Supervisors to ensure that overtime claimed has:

   i. actually been performed;
   ii. was necessary; and
   iii. was performed in the most cost effective manner.

   All overtime work should as far as possible be performed at the employees normal place of work.

Date of Issue:  
Date Approved by Council:
If the above limits are exceeded the Supervisor shall be held liable.

Supervisors should look at innovative ways of reducing overtime, for example, using shifts and time off for overtime worked, this must be agreed with employee.

7. **OVERTIME COMPENSATION**

7.1 Overtime shall be paid for work done beyond 40 hours per week, provided that provisions in 6.4 above have been met.

7.2 Hourly rates as per the Basic Conditions of Employment Act are as follows:

- 7.2.1 Overtime worked beyond normal working hours (i.e. 7h30 to 16h30) on a normal working day: one and a half (1.5) times an employee’s hourly salary.

- 7.2.2 Saturdays: one and a half (1.5) times an employee’s hourly salary.

7.3 Sundays:

An employer must pay an employee who works on a Sunday at double the employees’ salary for every hour worked, unless the employee ordinarily works on a Sunday, in which case, the employer must pay the employee at 1.5 times the employees’ salary for each hour worked.

7.4 Public holidays

An employer may not require an employee to work on a public holiday, except in accordance with an agreement. If a public holiday falls on a day on which the employee would ordinarily work, an employer must pay:

a) An employee who does not work on the public holiday, at least the wage that the employee would ordinarily have received for work on that day

b) An employee who does work on the public holiday:
   i) at least double the amount referred to in paragraph (a); or
   ii) if it is greater, the amount referred to in paragraph (a) plus the amount earned by the employee for the time worked on that day.

c) If an employee works on a public holiday on which the employee would not ordinarily work, the employer must pay the employee an amount equal to:
   i) The employee’s ordinary daily wage; plus
   ii) The amount earned by the employee for the work performed that day, whether calculated by reference to time worked or any other method.

The amount due, after statutory deductions, will be paid with the employee’s salary in the month immediately following the month the overtime is worked.

7.5 The Municipality and the employee(s) concerned may agree that an employee be compensated with time off, as set out in section 10(3) (a) and (b) of the BCEA. Such time off must be taken within one month after the overtime was worked. If, for operational reasons, the employee is not able to take the time off, the employer will pay the overtime according to the rates mentioned above.

8. **NIGHT WORK**

8.1 For the purposes of this policy night work means work performed after 18h00 and before 6h00
the next day.

8.2 An employer may only require or permit an employee to perform night work if so agreed and if:

- An employee is compensated by the payment of an allowance, which may be a shift allowance, as per the Bargaining Council Agreement, or by a reduction of working hours.
- Transport is available between the employee’s place of work and home at the commencement and conclusion of employees shift.

8.3 An employer who requires an employee to perform work on a regular basis after 23h00 and before 6h00 the next day must:

(a) Inform the employee in writing or orally if the employee cannot read in a language the employee understands

- of any safety and health hazards associated with the work that the employee is required to perform, and
- of the employees right to undergo medical examination in terms of paragraph (b)

(b) at the request of the employee allow the employee to undergo medical examination, for the account of the employer, concerning those hazards:

- before the employee starts, or within a reasonable period of the employee starting such work and
- at the appropriate intervals while the employee continues to perform such work.

(c) transfer the employee to a suitable day work within a reasonable time if:

- the employee suffers from a health condition associated with performance of night work, and
- it is practicable for the employer to do so

(d) An employee works on a regular basis if s/he works for a period of longer than one hour after 23h00 at least five times a months or 50 times per year.

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1. **OBJECTIVE**

The objective of the policy is to ensure that activities of the Municipality continue while critical positions are not permanently occupied.

2. **DEFINITION**

The Acting Policy regulates the temporary appointment of employees of the Municipality in higher positions in a capacity whether or not it is in addition to their own duties.

3. **RELEVANT LEGISLATION**

This policy is based on the Main Collective Agreement of the South African Local Government Bargaining Council (SALGBC) and the Conditions of Service of the Western Cape Division of the SALGBC.

4. **GUIDING PRINCIPLES**

An employee of Knysna Municipality will be acting when:

4.1 S/he performs all the duties of a higher position, as per the approved organogram, other than his/her own and in addition to his /her own duties.

4.2 An agreement between the Municipality and the employee appointed in the acting position will be drawn up, for an acting period, which may not exceed three (3) months in duration, without the agreement being reviewed.

4.3 The agreement in 4.2 above, may be extended for a further period, but this shall only be done if no suitable permanent appointment is possible, not exceeding the period in 4.4 below.

4.4 The acting period in 4.2 and 4.3 may not exceed a maximum period of 9 (nine) consecutive working months, whereafter the post must be advertised and filled on a competitive basis. This is only applicable to acting as from the date of the commencement of SALGA agreement, dated 1 April 2016.
4.5 A staff member appointed to act in a vacant position must comply with the minimum qualifications, relevant experience, potential to perform in the position to which s/he is appointed in an acting capacity. 4.6 Employment Equity will be one of the requirements to be taken into consideration when appointing people to act in higher positions.

4.7 The employer will not unreasonably stop or interrupt the acting period of the employee resulting in the non-payment of an acting allowance.

4.8 The employer will not unreasonably stop or interrupt the acting period of the employee resulting in the non-payment of an acting allowance.

4.9 An employee will not be paid an acting allowance whilst s/he is on any form of leave or any other absence during the acting period.

4.10 If an employee has acted for a continuous period of three (3) months or longer, s/he will qualify for an acting allowance while on any form of paid leave.

4.11 Council may in consultation with the Municipal Manager resolve that an employee should act in a section 56 and 57 position.

4.12 That an employee may not be allowed to act more than one occupational level higher than the occupational level of the acting incumbent, unless critical operational requirements necessitates.

4.13 An employee may not act against more than one position at a time.

5. **REMUNERATION**

A staff member who is appointed to a vacant position in an acting capacity shall be remunerated on the following basis:

5.1 The acting allowance will be the amount which is the difference between the employees current notch and the commencing notch of the scale of the acting position.

5.2 Acting allowance will be paid to an employee who has acted in a higher position for a period of at least 10 consecutive working days including public holidays and compulsory closing of office during the festive season.

5.3 In the case of an employee already on a notch higher than the first notch of the acting position, an acting allowance amounting to five percent of his pensionable salary will be paid.

5.4 The acting allowance will be paid for the duration of the agreed period.

5.5 The acting allowance is non-pensionable.

5.6 The allowance, and after statutory deductions, will be paid with the employee’s salary in the month immediately following the month the acting was performed.

5.7 The acting allowance of Section 56 and 57 will be the difference between the pensionable salary of the acting employee and 60% of the remuneration package of the post in which the employee is acting.

5.8 The acting allowance of a Section 56 when acting in the post of Section 57 appointment, will be...
the difference between 60% of the remuneration package of the acting employee and 60% of the remuneration package of the Section 57 post in which the employee is acting.

6. PROCEDURE

6.1 The requesting line department must submit a written request signed by the relevant Superior, Manager of the department and Director to the HR department, prior to the acting period.

6.2 The HR department will scrutinize the request against the criteria of length of acting, salary scales and notches as well as existing position on the organogram.

6.3 If the request complies with the criteria, the HR department will generate a letter for approval of the acting to the MM, to whom approval of the acting is delegated to in terms of the delegations register.

6.4 If the request does not comply with the criteria, it is returned to the line department.

6.5 After approval by the MM, the approved request is submitted to the relevant incumbent and a copy to the Payroll Department for processing.

6.6 Acting appointments in section 56 and 57 positions are done by Council via Council resolution, followed by a letter to the incumbent and the Payroll section.

6.7 The employer shall not unreasonably stop or interrupt the acting period of the employee resulting in the non-payment of an acting allowance without written motivation approved by the Municipal Manager.