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SC13/07/18 APPOINTMENT OF AN ACTING DIRECTOR CORPORATE SERVICES

PURPOSE OF THE REPORT

To consider this report and to appoint an Acting Director Corporate Services.

BACKGROUND

The position of Director Corporate Services became vacant during February 2017.

DISCUSSION

The Local Government: Municipal Systems Act, 2000, states in Section, 56(1)(a)(ii) that a Municipal Council, after consultation with the Municipal Manager, must appoint an acting manager (Director) directly accountable to the Municipal Manager. Section 56(1)(c) of the abovementioned Act states that an acting manager may not be appointed for a period exceeding three months without the MEC for Local Government approval to extend the period of appointment to a further period that does not exceed three months.

Section 56(2) of the said Act determines the following regarding an acting manager (Director):

“(2) A decision to appoint a person referred to in the subsection (1)(a)(ii), and any contract concluded between the municipal council and that person in consequence of the decision, is null and void if –

a) the person appointed does not have the prescribed skills, expertise, competencies or qualifications; or

b) the appointment was otherwise made in contravention of this Act, unless the Minister, in terms of subsection (6), has waived any of the requirements listed in subsection (1)(b).”

The skills, expertise, competencies and qualifications for the Director Corporate Services post is determined in the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014 (Annexure B) to be as prescribed under the Local Government: Municipal Regulations on Minimum Competency Levels, 2007.

The 2014 Regulations determines the following as the minimum competency level for Director Corporate Services:

Higher Education Qualification
Bachelor Degree in Public Administration / Management Sciences/ Law; or equivalent

Work-Related Experience and knowledge
Years of experience –

1. 5 years’ experience at middle management level
2. Have proven successful management experience in administration
Knowledge
Type of Knowledge

i. Good knowledge and understanding of relevant policy and legislation;
ii. Good knowledge and understanding of institutional governance systems and performance management;
iii. Good knowledge of corporate support services, including:
   a. Human capital management
   b. Legal services
   c. Facilities Management
   d. Information communication technology; and
   e. Council support
iv. Good knowledge of supply chain management regulations and the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
v. Good governance
vi. Labour Relations Act, and other labour-related prescripts
vii. Legal background and human capital management; and
viii. Knowledge of coordination and oversight of all specialized support functions

“Middle Management level” means a management level associated with persons in middle management positions responsible for supervising staff, and includes –
   a) An official directly accountable to a manager in the senior management level; or
   b) A person that occupied a person in a management level substantially similar to middle management level, outside the local government sphere;”

Taking the above into consideration an Acting Director Community Services must be appointed to act for a period of 3 months.

RELEVANT LEGISLATION

Municipal Systems Act, Act 32 of 2000
Government Gazette, No. 37245 of 17 January 2014

RECOMMENDATION FROM THE MUNICIPAL MANAGER

[a] That the report regarding the appointment of an Acting Director Corporate Services be noted;

[b] That . . . . . . . . . . . . . . be appointed as the Acting Director Corporate Services from the date of this resolution for not more than three (3) months, or until the appointment of a Director Corporate Services, whichever occurs first.

File Number: 29/1/2/19
Execution: Manager: Human Resources
               Manager: Office of the Executive Mayor
REPORT FROM THE MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To inform Council on the Draft Essential Motor Vehicle Scheme and obtain Councils Mandate to enable SALGA to forward same to the Western Cape Division of the SALGBC for negotiation and to replace the current Essential Users Vehicle Scheme.

BACKGROUND

The 1994 Essential User Vehicle Scheme is still applicable and Municipalities are implementing same. Due to the fact that the Scheme being dated, reviewing and updating were necessitated.

DISCUSSION

Council’s attention is directed to a copy of the Mandate Letter together with an a copy of the Draft Essential Motor Vehicle Scheme, attached as Annexure.

Knysna Municipality has implemented the scheme and it has proved to be sufficient and effective in terms of providing a Vehicle Scheme to those positions where staff are required to utilize their own vehicles.

It is proposed that Knysna Municipality agree that there is a need for a new Essential User Vehicle Scheme as the implementation since 1994 has been successful but needs to be updated.

It is proposed that Knysna Municipality agree with the proposed draft Essential Motor Vehicle Scheme as the proposed scheme is more detailed in terms of procedure and practical implementation.

The following issues are of concern to Knysna Municipality and should be included as input/comment for improvement of the draft:

Clause 6.1.6.2 Where the position is newly created, the usage must be established prior to approval of the position as a designated EUP.

It is felt that it will be difficult to establish the usage prior to the approval of the position.

Clause 7.2 It is suggested that the renewal of the existing EUP and/or EUP not be linked to a 4-year cycle but rather to the position and recommendation of the line managers in conjunction with the Section 56 appointment.

Clause 8.4 It is suggested that Vehicle usage be monitored every 12 months and not 6 months to ascertain whether the EUP and the EUA must be reviewed and whether it is still in line with the 6 months’ logs.
Clause 11

Currently the first 1166 km per month is paid at a combined rate of the fixed cost and the running cost as determined by the SALGBC, based on the rules of the scheme. The proposed amendments to the Scheme in Clause 11 indicates that the first 1166 km claimed per month should be paid at the fixed rate and the kilometres claimed in excess of 1166 km per month at the running cost rate. This will cause a huge decrease in the current allowances paid.

It is proposed that, taking the above comments into consideration, Council support the Mandate for SALGA to submit the draft Essential Motor Vehicle Scheme to the Western Cape Division of the SALGBC for negotiation to replace the current Essential User Scheme.

RELEVANT LEGISLATION

N\A

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report regarding Council’s Mandate for the Draft Essential Motor Vehicle Scheme as well as the letter dated 5 July 2018 from SALGA in this regard, be noted;

[b] That Council agree that there is a need for a new Essential User Vehicle Scheme as the implementation since 1994 has been successful but needs to be updated;

[c] That Council agree with the proposed draft Essential Motor Vehicle Scheme as the proposed scheme is more detailed in terms of procedure and practical implementation;

[d] That Council wish to submit the following input/comment for improvement of the draft:

Clause 6.1.6.2 Where the position is newly created, the usage must be established prior to approval of the position as a designated EUP.

It is felt that it will be difficult to establish the usage prior to the approval of the position and that the usage rather be established through keeping logs for a 6-month period.

Clause 7.2

It is suggested that the renewal of the existing EUP and/or EUP not be linked to a 4 year cycle but rather to the position and recommendation of the line managers in conjunction with the Section 56 appointment.

Clause 8.4

It is suggested that Vehicle usage to be monitored every 12 months and not 6 months to ascertain whether the EUP and the EUA must be reviewed and whether it is still in line with the 6 months’ logs.
Clause 11  
Currently the first 1166 km per month is paid at a combined rate of the fixed cost and the running cost as determined by the SALGBC, based on the rules of the scheme. The proposed amendments to the Scheme in Clause 11 indicates that the first 1166 km claimed per month should be paid at the fixed rate and the kilometres claimed in excess of 1166 km per month at the running cost rate. This will cause a huge decrease in the current allowances paid; and

[e] It is proposed that, taking the above comments into consideration, Council support the Mandate for SALGA to submit the draft Essential Motor Vehicle Scheme to the Western Cape Division of the SALGBC for negotiation to replace the current Essential User Scheme.

File Number: 9/1/2/19
Execution: Manager: Human Resources
MANDATE

FROM : PROVINCIAL EXECUTIVE OFFICER

TO : DIRECTOR: CORPORATE SERVICES

DATE : 05 JULY 2018

MANDATE : DRAFT ESSENTIAL MOTOR VEHICLE SCHEME

The 1994 Essential User Vehicle Scheme is still applicable and municipalities must comply with the provisions thereof. The Bargaining Council determines the fixed and running costs according to the provisions of the scheme as before. However, while the scheme contains sound principles, the practicality and applicability of some of the provisions create a challenge for municipalities, and, for example, the exemption provisions regarding a 2000cc vehicle should be reconsidered.

In November 2018, the HR Practitioners’ Forum resolved to recommend to the Capacity Building and Institutional Resilience Working Group to appoint a Task Team to investigate the current scheme as well as the possibility of a new scheme. The Working Group approved the recommendation. The Task Team developed and recommended a new draft Scheme based on the City of Cape Town’s Essential Motor Vehicle Scheme to the January 2018 HR Practitioners’ Forum meeting. The Forum in principle supported the draft, but requested that HR Managers should be provided with the opportunity to comment on the content, after which the Scheme would have to be sent to municipalities for approval and to consider a mandate to table the new Scheme at the SALGBC for negotiations.

The Task Team considered the comments received by the HR Managers, and, where necessary, changes were made to the draft. Attached hereto please find the draft Essential Motor Vehicle Scheme.

Municipalities are requested to consider the draft Scheme and provide a mandate with regard to the following:
1. Does the Municipality agree that there is a need for a new Essential User Vehicle Scheme?
2. Does the Municipality agree with the provisions of the proposed draft Essential Motor Vehicle Scheme? Provide input/comment for improvement of the draft.
3. Can the draft Essential Motor Vehicle Scheme be submitted to the Western Cape Division of the SALGBC for negotiation and to replace the current Essential User Vehicle Scheme?

Please submit your municipality’s mandate to Jasper van der Westhuizen (jvdwesthuizen@salga.org.za) by not later than 25 July 2018.

Yours sincerely

KHALIL MULLAGIE
PROVINCIAL EXECUTIVE OFFICER

ENCL
ESSENTIAL MOTOR ALLOWANCE SCHEME
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1. **INTRODUCTION, DEFINITIONS, ACRONYMS AND ABBREVIATIONS**

1.1 Introduction
The Essential Motor Allowance Scheme is a car allowance paid to employees whose job requires them to use their private vehicles for work on a daily and continuous basis. The allowance is paid in monthly instalments. In addition to the allowance, reimbursement is made for necessary business kilometres travelled.

1.2 Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Fixed capital costs</td>
<td>A vehicles fixed cost values (which are inclusive of VAT) and include the depreciation on the vehicle’s value, comprehensive insurance and the licensing of the vehicle as defined in the AA tables.</td>
</tr>
<tr>
<td>Running costs</td>
<td>Vehicle maintenance costs regarding servicing, repairs, tyres and lubrication and fuel as defined in the AA tables and linked to the norm vehicle.</td>
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<tr>
<td>Ad Hoc Scheme</td>
<td>An allowance to pay an employee, other than an employees on the Essential Motor Allowance Scheme who is required to occasionally use his/her private motor transport in the performance of any specific duty.</td>
</tr>
<tr>
<td>Essential Motor Allowance</td>
<td>Essential Motor allowance means an operational allowance attached to a specific position (“designated essential user position”) in accordance with the requirements and criteria provided in this system and procedure and guidelines and paid monthly to the incumbent of such position when the incumbent complies with criteria in the system and procedure for receiving the allowance. The allowance is linked to a designated essential user position and not to the employee or incumbent of such position.</td>
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<tr>
<td>&quot;Delegated Authority&quot;</td>
<td>Means the person authorised to take decisions in accordance with the Municipality’s System of Delegations as amended from time to time.</td>
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<tr>
<th>Duties</th>
<th>The work, functions, tasks attached to a position via an approved job description.</th>
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<tbody>
<tr>
<td>Designated essential user position</td>
<td>A position to which an essential user allowance may be attached.</td>
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</table>
Official kilometres | Kilometres travelled to execute duties attached to a position and exclude kilometres from home to normal place of work. Official kilometres include after-hour call-out trips where the employee has to travel from his home to a location where his services are required in which case payment is based calculated on the minimum distance between the employee’s home and place of duty and back.

Usage | Means the permanent daily continuous use of a vehicle and/or the number of official kilometres travelled.

Leave | Means:
(a) the annual leave and/or sick leave entitlement as per the SALGBC Main Collective Agreement;
(b) for the purpose of clause 9.3, the annual leave and sick leave entitlement under (a) as well as approved absences on official business, maternity leave and suspension on full pay and (c) injury on duty leave; and family responsibility leave.

Norm Vehicle Price | The retail purchase price as on 1 July of each year as determined by the SALGBC of the following standard vehicles 1400cc or 1600cc LV or a 1600cc or 2000cc LDV, whichever is appropriate and approved by the relevant Municipality for work purposes on the AA tables which forms the basis for calculations of the essential

Normal Place of Work | Location where an employee ordinarily report for work each day.

1.3 Acronyms

<table>
<thead>
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<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>AA</td>
<td>Automobile Association of South Africa</td>
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<tr>
<td>LDV</td>
<td>Light Delivery Vehicle</td>
</tr>
<tr>
<td>LV</td>
<td>Light Vehicle 4-door Sedan of Hatchback</td>
</tr>
<tr>
<td>EUA</td>
<td>Essential User Allowance</td>
</tr>
<tr>
<td>EUP</td>
<td>Essential user position</td>
</tr>
<tr>
<td>EMAS</td>
<td>Essential Motor Allowance Scheme</td>
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</table>

2. PURPOSE AND SCOPE
2.1 The purpose of the Essential Motor Allowance Scheme (hereinafter referred to as “the EMAS”) is to provide:
   2.1.1 For an operational allowance to be attached to a position where the execution of the functions and duties of such position necessitate the daily and continuous use of a vehicle and where the Municipality cannot provide an appropriate Municipality owned or leased vehicle; and
   2.1.2. For the payment of the allowance to the incumbent of a designated essential user position where the individual employees, in terms of the provisions of this system and procedure, provide and
use their private vehicles for the execution of the duties attached to such position.

2.2. This system and procedure applies to:
   2.2.1. Positions to which an essential user allowance is attached in accordance with this system and procedure and where the Municipality is unable to provide an appropriate alternative source of transport for the conducting of the duties attached to the position; and
   2.2.2. Incumbents of positions to which an essential user allowance is attached and who provide their private vehicles for official use provided that such incumbents are permanent employees.

2.3. This system and procedure does not apply to:
   2.3.1. Any position where the employees are required to drive a vehicle with Municipality identification and/or a special purpose vehicles.
   2.3.2. Employees on fixed term contracts.
   2.3.3. As a general rule employees working in the uniformed departments are issued with official vehicles.

3. **REFERENCE DOCUMENTS**
   3.1 Labour Relations Act (Act 66 of 1995, as amended)
   3.2 Income Tax Act
   3.3 Basic Conditions of Employment Act (Act 75 of 1997, as amended)
   3.4 Municipal Systems Act (Act 32 of 2000, as amended)
   3.5 Municipal Finance Management Act (Act 56 of 2003, as amended)

4. **PRINCIPLES**
   4.1. To provide a cost effective way to deal with transport needs for service delivery
   4.2. A EUA is linked to a position and not a person.
   4.3. A EUA is not a condition of service but an operational allowance attached to a specific position and payable to an employee providing and using his/her private vehicle for the execution of official duties.
   4.4. A EUA shall not be recommended for the purpose (explicitly or otherwise) of providing additional income, a fringe benefit, perk or hand-out to employees
   4.5. No employee in any position shall be entitled to claim a position to be designated a EUP or a EUA as a right.
   4.6. A Municipality must require the availability of an appropriate essential norm vehicle for the position identified when filling such a position.

5. **AUTHORITY FOR APPROVAL OF A DESIGNATED EUP AND EUA**
   5.1 Where the duties of a position require an employee to make use of transport to perform his/her official duties, the delegated authority may approve to attach a EUA to the position and pay an EUA to such employee for the use of his/her private vehicle, subject to the criteria and provisions of this system and procedure. The Employer in terms of delegated authority reserves the right to adjust, review withdraw or terminate the allowance should the criteria or conditions under which the EUA was approved not be met.

   5.2 Once a position is approved as designated EUP by the delegated authority in terms of the provisions of this system and procedure, an EUA may be attached to such position and the incumbent may receive the EUA if the incumbent meets the applicable criteria and conditions as set out in this system and procedure.

6. **MAIN PROVISIONS**
6.1 CRITERIA FOR A DESIGNATED EUP

6.1.1 The duties attached to a position must require, on a permanent basis, the daily and continuous use of a vehicle for the execution of the duties attached to the position, in order to ensure a high level of service delivery.

6.1.2 There must be no appropriate dedicated Council owned vehicles (including pool vehicles) or leased vehicles available which can be used on a dedicated or shared basis for the purpose referred to in clause 6.1.1 or operational circumstances must render the use of an official pool vehicle impractical or uneconomical;

6.1.3 The duties attached to the position shall not require the use of a specialised or functional vehicle or a vehicle with a Municipality logo or markings or specific fittings on it;

6.1.4 There must be sufficient provision in the budget for payment of the EUA;

6.1.5 Utilising a private vehicle and payment of an EUA must be considered the most cost effective, efficient and economical way of providing transport to perform the duties attached to the position. In this regard the delegated authority should inter alia consider the following aspects:
   6.1.5.1 How is the department currently dealing with the transport need?
   6.1.5.2 Is there an existing Municipal vehicle in use?
   6.1.5.3 Is there replacement or an additional vehicle?
   6.1.5.4 Is a specialised or functional vehicle with specific fittings or a vehicle with the Municipality's logo and/or markings required?

6.1.6 The incumbent of the position must travel a minimum of 600 official kilometres per month, monitored over a period of 6 (six) months prior to application for or approval of a position as designated EUP:
   6.1.6.1 Where a previously designated EUP becomes vacant, the previous usage can be used for approval of an EUA subject to the review provisions in clause 7.2;
   6.1.6.2 Where the position is newly created, the usage must be established prior to approval of the position as designated EUP;
   6.1.6.3 Periods of approved leave shall be discounted for the purpose of calculating the 6 month period referred to herein;
   6.1.6.4 Running costs only, will be paid for kilometres per month exceeding 1166 km in any given month;

6.1.7 Notwithstanding the provisions of clause 6.1.6, the Municipality Manager may, upon receipt of a written motivation from an Section 56 Manager, approve specific positions as exceptions to which a lower monthly kilometre requirement and pro rata lower allowance can be attached provided that the Municipal Manager may only consider such lower monthly kilometre requirement and associated lower EUA if the request meets the following conditions:
   6.1.7.1 The position requires the daily and continuous use of a vehicle but the geographical work area inhibits the incumbent to meet the 600 minimum official kilometre requirement on a monthly basis;
   6.1.7.2 Similar duties are done by various incumbents in defined geographical areas across the Municipality (i.e. health inspectors, building inspectors);
   6.1.7.3 The position is part of a group of positions of the same designation and grade to which an essential user allowance is attached;
   6.1.7.4 The incumbent, although responsible for a defined (unique) operational area, could rotate to positions in other areas to which an essential user allowance is attached and vice versa;
6.1.7.5 The deviation from the standard 600 official kilometre requirement should not be more than 50% less than the standard requirement i.e. not less than 300 kilometres.

6.2. VEHICLE AND OTHER CRITERIA FOR RECEIPT / PAYMENT OF EUA

6.2.1 A vehicle used in terms of the provisions of this system and procedure shall be required, by the employee’s Section 56 Head of Department, to be suited to the duties and functions generally attached to the employee’s position, e.g. if the duties and functions attached to the position require the use of an LDV, the employee cannot purchase a sedan.

6.2.2 The employee acknowledges that a municipal vehicle will not be at his disposal and that his own vehicle will be available for official duties during working hours.

6.2.3 If a vehicle, in respect of which a EUA is paid, is unavailable for use, it shall be the employee’s responsibility to provide a suitable replacement vehicle, at the employee’s own cost, failure which will result in the allowance being ceased for the period that the employee’s vehicle is unavailable.

6.2.4 Employees receiving an EUA shall be required to meet the maintenance/repair costs of their vehicles.

6.2.5 Employees whose positions do not qualify for an EUA but are required to use their vehicles for official Council purposes will be paid an ad hoc allowance.

6.2.6 Private vehicles, including vehicles of employees receiving an EUA, shall not be serviced or repaired in a municipal workshop and employees of a municipal workshop shall not work on such vehicles.

6.2.7 Employees receiving an EUA will not be entitled to official parking facilities by reason of their participation in this scheme.

6.2.8 Employees receiving an EUA must ensure that accessories that would normally have been installed in the vehicle by the Municipality, e.g. a two way radio and antenna, are installed at the cost of the Municipality and must be barcoded in accordance with the Asset Management policy of the Municipality, where applicable. Accessories must be removed once the EUA has been terminated and must be returned to the Municipality.

6.2.9 The employer may install a tracking device for purposes of monitoring employees’ official kilometres.

7. PROCEDURE FOR APPROVAL OF AN EUP AND EUA

7.1 FIRST APPROVAL

7.1.1. Where a transportation need is identified in a department, a comprehensive motivation is to be drawn up by the Line Manager to get the position designated as an EUP using the principles and criteria as contained in this system and procedure. This motivation is to be submitted to the delegated authority. All the relevant documents are to be submitted with the motivation (i.e. prescribed form, log sheets, budget provision, recommendation and a statement by the Line Manager that all the provisions contained in the system and procedure have been met).

7.1.2. If proof of compliance with the provisions of clause 6.1.6 (minimum of 600 official kilometre travel per month) is not available, the following procedure must be followed:

7.1.2.1. The delegated authority must approve the request as per clause 7.1.1 in principle where after the incumbent will be requested by the Line Manager to keep and submit log sheets of official trips for a period of 6 months in order to assess whether the employee fulfills this requirement. The employee
may utilise a Council owned or Council leased vehicle during this period in the event that the employee does not yet own a vehicle.

7.1.2.2. Accurate log sheets are to be kept of official distances travelled, on a format prescribed by the Municipality and the log sheets as well as reports to be checked and verified by the Line Manager on a monthly basis.

7.1.2.3. During these 6 months the incumbent will be paid an ad-hoc allowance in terms of the ad hoc allowance system and procedure based on the official distances travelled and reflected in the approved log sheets. It is the responsibility of the Line Manager to request the payment of the Ad hoc Allowance.

7.1.2.4. Upon completion of the 6 months and if the incumbent complies with this requirement as well as all the other requirements in the system and procedure, the Line Manager must re-submit the motivation to the delegated authority.

7.1.3. The motivation submitted or re-submitted (as the case may be) by the Line Manager will be assessed by the delegated authority to ensure that the criteria contained in this system and procedure are met, including the availability of funds on the budget. If considered favourably, the delegated authority will approve as such, and the position will then be classified as an EUP.

7.1.4. Once formally approved, the delegated authority is to advise the Payroll and Personnel Administration department accordingly who will then implement the EUA after checking the application for correctness against the system and procedure. Implementation to follow the first of the month following approval.

7.1.5. Advertisements for filling of positions may include reference to EUP and EUA as a requirement attached to the position provided that any review process in terms of clause.

7.2 RENEWAL OF EXISTING EUP AND/OR EUA

7.2.1 Essential User allowances shall be formally reviewed in terms of the general provisions and criteria in this system and procedure when a position becomes vacant or at the end of the four year cycle period as determined by the Municipality.

7.2.2 The Line Manager shall review the original motivation for the allowance and, if still required, shall submit a motivated request for renewal to the delegated authority for approval. This shall include supporting motivation, including the kilometre and continuous usage report.

7.2.3 Line Managers shall submit motivations for renewal of EUA two months in advance of the expiry date of the four year cycle period, to ensure that the renewal process allows for seamless service delivery.

7.2.4 In instances where an EUA has been withdrawn, such applications shall be treated as new requests, requiring a six month monitoring period prior to the approval of the allowance, to ensure that the usage are indeed within the scope of the system and procedure.

8. CONDITIONS AND REQUIREMENTS FOR MONITORING AND MAINTAINING OF AN EUA

8.1. Allowances are all allocated on the basis of a four year cycle (clause 11.1.4) subject to continuously meeting the requirements for receiving such allowance.

8.2. Vehicle usage shall be monitored to ensure that the employee continues to meet the required levels of usage in order to qualify for the allowance.

8.3. The calculation on usage shall discount any periods of approved paid leave – i.e. these shall be excluded from the calculating usage requirements.
8.4. Monitoring of vehicle usage will be conducted at 6 monthly intervals. Heads of Departments are therefore required to ensure that records, reflecting official trips and distances travelled of vehicles participating in the Scheme are in use and kept up to date at all times.

8.5. When calculating the average usage (as envisaged in clause 9.3), any period of approved leave must be discounted. The following formula will be applied to calculate the average over a six month period, less the leave. The total kilometre usage over six months to be multiplied by \( \frac{130}{(130 - \text{the number of approved days leave})}/6 \) for employees on a five day work week. This is based on there being on average 130 working days over a six month period. In the case of employees working a six day week, this figure shall be 156 days.

\[ \{130/ (130 - \text{leave days}\} \times \{\text{total amount of km travelled during six month period} / 6\} \]

8.6. The average monthly vehicle usage of employees participating in the scheme shall at any point in time be ascertained by dividing the total number of kilometres travelled during the preceding six months by 6 (six) in order to arrive at the average travelled per month ("the average monthly usage"). Any deviation can be investigated and the employer may, depending on the outcome of such investigation, be entitled to exercise the right conferred on it in terms of clause 9 below.

8.7. Monitoring shall include ensuring that no unnecessary trips are undertaken in order to achieve the necessary usage.

9. REDUCTION, WITHDRAWAL OR TERMINATION OF ALLOWANCE

9.1. To retain an EUA qualifying employees are required to meet all the requirements in the system and procedure on an on-going basis. Failure to meet any of these requirements could result in the allowance being partially or wholly withdrawn or terminated in terms of the procedure as provided for in this system and procedure.

9.2. There are various reasons for employees no longer meeting the criteria and requirements attached to the EUA. These include:

9.2.1. Promotion to a position which is not classified as a designated essential user position and where the functions attached to the position do not require the incumbent to utilise a vehicle on a daily or continuous basis;

9.2.2. Temporary secondment to a project, position or function which does not require continuous and daily use of a vehicle;

9.2.3. Long term chronic illness exceeding a month in length and injury on duty leave;

9.2.4. Permanent change(s) to the nature of the employees’ current position and or duties, which has resulted in a regular usage below the level required by the scheme;

9.2.5. Employee failing to perform their regular duties as required by the position;

9.2.6. Incorrect allocation of allowance where the usage may have been increased over a period to justify the allocation of the allowance. This shall apply to any allowance where an employee consistently fails to meet the minimum requirements of the Scheme following the approval of the allowance;

9.2.7. Where an employee, notwithstanding the provisions of clause 8 above fails to meet the usage criteria for reason of a temporarily nature (for example reduction of work as result of economic factors).

9.3. In each of the above cases, the following procedure shall be followed:

9.3.1. Employees who are transferred, move laterally to a new position or promoted to a higher position, shall be made aware prior to accepting the appointment that their Essential User Allowance shall cease within a period of six months following the appointment or at the end of their four year cycle, whichever is soonest. The notice period shall run from the date of the appointment and shall be provided in writing to the employee.

9.3.2. Employees who are temporarily seconded to a project, position or function which does not require usage of a vehicle shall retain their current allowance as a
secondment allowance until expiry of the four year cycle, should this occur while they are still in their seconded position. Such employees will only be considered for a new essential user allowance on returning to their original position.

9.3.3. In cases of long term incapacitating illness and injury on duty leave, each case shall be considered on its merits and Human Resources shall make recommendations to the delegated authority on whether the allowance will be retained or withdrawn. However, in instances where the four year cycle expires, the allowance shall not be considered for renewal until the employee is fit to return to their normal functions.

9.3.4. In cases of a permanent change to the functions or geographic area related to a position, the employee shall be given six months written notice that the allowance shall be withdrawn or expire at the end of the four year cycle, whichever is soonest.

9.3.5. In cases of a drop in usage which arises out of an employee failing to perform their duties (i.e. not linked to a permanent change in the function) the manager shall consider whether action should be taken in relation to poor performance. The allowance shall be withdrawn with immediate effect.

9.3.6. In cases where an employee does not meet the usage criteria in any one month, the manager shall consider the reason for this and if it is for a reason of temporarily nature, the manager shall recommend and the delegated authority shall consider and approve one of the following actions:

9.3.6.1. The employee shall receive a reduced allowance for those months during which the employee does not qualify for the allowance. The reduced allowance shall be calculated on a pro rata basis on the difference between the required minimum of 600 kilometres or as determined by the Municipality as per clause 6.1.7.5 and the actual usage; or

9.3.6.2. The withdrawal of the allowance subject to a six month notice period or the cancellation of the allowance on conclusion of the four year period of funding, whichever period is sooner.

9.4. Employees whose allowance is withdrawn may be considered for inclusion on the Scheme at a later date when the qualifying and usage criteria are once again met. Such application shall not be dealt with as a renewal, but as a new application.

9.5. Employees must submit a claim for usage, irrespective of whether they are using their normal vehicle or whether they are using a replacement vehicle for when their normal vehicle is in for repairs. Failure to provide an alternative vehicle shall be considered a serious breach of system and procedure as will failure to submit monthly usage records. Either failure could result in the withdrawal of the allowance.

10. RECLAIMING OF FUNDS

10.1 The Municipality shall reclaim funds from employees’ remuneration where the investigation has shown the allowance to be wrongfully allocated. The relevant Section 56 Manager shall be accountable for ensuring the reclaiming of funds where required.

10.2. Where usage has dropped due to other factors, the Municipality shall terminate the allowance as described above, but shall not reclaim from the employee.

11. CALCULATION AND PAYMENT OF EUA

11.1 Fixed (capital) costs

11.1.1 Participating employees shall be eligible for fixed capital costs that are equivalent to 100% of the monthly AA tariff for fixed costs, based on the retail purchase price on 1 July of each year of the norm vehicles as defined, listed on the AA tables, rounded off to the nearest AA column amount.

11.1.2 The fixed costs will only be paid to a maximum of 1166 km per month. Running cost only will be paid for kilometres per month exceeding 1166km as per clause

11.1.3 The allowance payable in respect of fixed capital costs shall incorporate the
following elements-
  11.1.3.1 annual insurance relating to the norm vehicle concerned,
  11.1.3.2 interest, and
  11.1.3.3 depreciation

11.2 Running Costs
  11.2.1 Participating employees shall also be eligible for running costs which are
  payable in accordance with the AA tariffs with regard to, fuel and maintenance
  for the respective norm engine size for actual official kilometres travelled.
  11.2.2 Incumbents of EUP's are subjected to the same calculation criteria irrespective
  of position or level, subject only to the respective norm vehicle.

12. ADJUSTMENTS TO ALLOWANCE
  The elements comprising the fixed capital and running cost allowance will be
  adjusted once per annum on 1 July by the Western Cape Division of the SALGBC.

13. ROLES & RESPONSIBILITIES
  13.1 Human Resources will advise line managers on system and procedure and procedure
  interpretation.
  13.2 Line Managers will be responsible for undertaking the monthly monitoring. Line
  Managers shall also be responsible for investigating reasons for non-compliance,
  withdrawal of allowances where indicated and reclaiming any funds.
  13.3 Section 56 Managers shall be accountable for the overall implementation of the
  Essential User Scheme within their Directorates and shall ensure that their managers
  manage the scheme within the parameters of the system and procedure
REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To request the Municipal Council to consider the appointments for Director Corporate Services, Director Community Services and Director Technical Service of Knysna Municipality.

BACKGROUND

The position of Director Corporate Services became vacant during 2017, the Director Community Services during 2017 and the Director Technical Services during 2018.

SELECTION COMMITTEE

Council at its meeting held on 25 April 2018 established a selection panel for filling the abovementioned positions as follows.

Interviews were subsequently scheduled for 4, 5 and 6th June 2018.

OUTCOME OF THE EVALUATION AND INTERVIEW PROCESS

The outcome of the Selection Process are as per the Selection Reports received from the Consultants, copies of which are attached as Annexure (or under separate cover).

Candidate Ranking for the position of Director Corporate Services

The Selection Committee, after due consideration of all the competency requirements encoded in the mentioned Regulations concluded that Ms POB Makoma is the most suitable candidate for Director Corporate Services.

Candidate Ranking for the position of Director Community Services

The Selection Committee, after due consideration of all the competency requirements encoded in the mentioned Regulations concluded that Mr GBE Boshoff is the most suitable candidate for Director Community Services.

Candidate Ranking for the position of Director Technical Services

The Selection Committee, after due consideration of all the competency requirements encoded in the mentioned Regulations concluded that Ms L Mooiman is the most suitable candidate for Director Technical Services.

TERMS OF EMPLOYMENT
The employment contract for the Director Corporate Services, Director Community Services and Director Technical Services, should be a fixed term contract of not more than 5 years.

The employment contracts for all three abovementioned positions must include a clause that – “stipulate the terms of the renewal of the employment contract, but only by agreement between the parties;”

**REMUERATION PACKAGE PAYABLE**

The remuneration package of the Directors positions will be determined after discussions between the Executive Mayor and the Municipal Manager suffice to say that it will be according the Government Gazette in terms of Total remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers dated 1 July 2017.

**RELEVANT LEGISLATION**

Local Government: Regulations on appointment and conditions of employment of Senior Managers, Government Gazette No. 37245.

**FINANCIAL IMPLICATIONS**

The positions are budgeted for and funding is sufficient in terms of the MTREF.

**APPENDIX / ADDENDUM**

Selection Reports are in the “In Committee” section.

**RECOMMENDATION OF THE SELECTION PANEL**

[a] That the contents of the report by the Municipal Manager, be noted;

[b] That Council, based on the recommendation of the Selection Committee, offers the position of Director Corporate Services to Ms POB Makoma.

[c] That Council, based on the recommendation of the Selection Committee, offers the position of Director Community Services to Mr GBE Boshoff.

[d] That Council, based on the recommendation of the Selection Committee, offers the position of Director Technical Services to Ms L Mooiman.

[e] That should Ms Makoma decline the offer or not sign an employment contract within one month of the Council Resolution, the Municipal Manager be authorized to approach the following qualifying candidate, Mr Cotani with an offer for employment.

[e] That should Mr GBE Boshoff decline the offer or not sign an employment contract within one month of the Council Resolution, the Municipal Manager be authorized to approach the following qualifying candidate, Mr JJ France with an offer for employment.
[f] That should Ms Moolman decline the offer or not sign an employment contract within one month of the Council Resolution, the Municipal Manager be authorized to approach the following qualifying candidate, Mr P Hariparsad with an offer for employment.

[g] That the above offers be subject to:

(i) The MEC for Local Government be supplied with a written report regarding the appointment process and outcome as is envisaged in Regulations 17(3) and (4) of the Local Government: Regulations on the Appointment and Conditions of Employment of Senior Managers, within 14 days from the date of this resolution; and

(ii) That the Municipal Manager be authorized to negotiate and finalize an employment contract and an all-inclusive remuneration package within the statutory limitations, within 14 days from date of this resolution;

[h] That, with regard to any objections received, they be dealt with in terms of the Local Government Regulations on appointment and conditions of employment of Senior Managers in that discussions emanating from the interview process be kept strictly confidential and no information be disclosed with any candidate or person who is not part of the Selection Panel until such time that the Municipal Council has approved the recommendations of the Selection Panel and the successful candidate has been duly informed about the outcome of the decision of Council.

File number: 9/1/2/19
Execution: Acting Municipal Manager
Manager: Human Resources