

**6.
TRAVEL POLICY FOR COUNCILLORS: AMENDMENT**

5/12/1

D Arrison

Director : Management Services

17 February 2022

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1. Executive Summary

The purpose of this report is to recommend an amendment to the Travel Policy for Councillors for approval.

2. Service Delivery and Budget Implementation Plan - IGNITE

Management Services
Council Support

3. Compliance with Strategic Priority

Provision of democratic and accountable governance

4. Delegated Authority

None

5. Legal Requirements

Section 219(1)(b) of the Constitution of the Republic of South Africa, 1996.
Remuneration of Public Office Bearers Act, No 20 of 1998.
Local Government: Municipal Finance Management Act, No 56 of 2003.

6. Background/Discussion/Evaluation/Conclusion**Background**

Councillors are requested, for purposes of considering this amendment, to refer to the deletion of paragraph 5.2.2 and the deletion of the word "**ward**" in paragraph 5.2.3 of the policy attached to this item.

Further to the above the amendment should be considered retrospectively from the date of the Electoral Commission published the list of elected councillors on 9 November 2021.

7. Financial Implications

To be funded from the specific line item under the vote "Council General Expenditure".

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Travel Policy for Councillors

RECOMMENDATION TO THE COUNCIL:

that the Travel Policy for Councillors attached as Annexure A be amended retrospectively from 9 November 2021.

RESPONSIBLE OFFICIAL :

DS ARRISON

TARGET DATE FOR IMPLEMENTATION :

IMMEDIATELY

OVERSTRAND MUNICIPALITY



TRAVEL POLICY FOR COUNCILLORS

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

TRAVEL POLICY FOR COUNCILLORS

1. AIM OF POLICY

- 1.1 The express aim of the Policy is to provide the Municipality with a comprehensive travel policy framework for Councillors for implementation within the Municipality
- 1.2 This policy sets out the basis for the payment of travel allowances for the purposes of official travelling.

2. SCOPE OF APPLICATION

- 2.1 This policy will only be applicable to Councillors, both full-time and part-time, within the Municipality.

3. THE LEGISLATIVE FRAMEWORK

- 3.1 Section 219(1)(b) of the Constitution of the Republic of South Africa, 1996, stipulates that an Act of Parliament must establish a framework for determining the Upper Limits of salaries, allowances or benefits of members of municipal councils of the different categories.
- 3.2 The Remuneration of Public Office Bearers Act, No 20 of 1998 gives effect to Section 219(1)(b) by providing a framework for determining salaries of Political Office Bearers, including members of municipal councils.
- 3.3 In terms of Section 7 (1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, the Minister must determine the Upper Limits of the salaries, allowances and benefits of the different members of Municipal Councils by notice in the Government Gazette (hereafter referred to as the "Upper Limits").
- 3.4 The Upper Limits are published annually and deal with the following:
 - I. Grading of municipalities for purposes of determining the remuneration scales;
 - II. Upper Limits of annual total remuneration packages of full-time and part-time Councillors;
 - III. Upper Limits of allowances of full-time and part-time Councillors;
 - IV. Upper Limits of remuneration or allowances in respect of appointed Councillors;
 - V. Upper Limits of cell phone allowances of Councillors; and
 - VI. Upper Limits of pension fund contributions and medical aid benefits of Councillors.
- 3.5 The salary and allowances of Councillors are determined by the Council by resolution of a supporting vote of a majority of its members, in consultation with the Minister for Local Government in the province concerned, having regard to

the Upper Limits, the financial year of the Council and the affordability of the Municipality to pay within the different levels of remuneration as determined.

- 3.6 Section 167 of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) has a major impact on the remuneration of Councillors. It stipulates that Councillors **may only** be remunerated within the framework of the Remuneration of Public Office Bearers Act and Section 219(4) of the Constitution. It declares that any payment, whether in cash or kind, made **outside** this framework would be regarded as an irregular expense.
- 3.7 The travel allowance is defined in Section 8(1)(b) of the Income Tax Act, No 58 of 1962, as any allowance paid or advance given in respect of travelling expenses for **business purposes**, which is included in the taxable income of any person for any year of tax assessment.
- 3.8 Section 8(1)(b) of the Income Tax Act further deems any allowance or advance in respect of travelling expenses not to have been expended on business travelling to the extent that it has been spent on private traveling.

4. TRAVEL ALLOWANCES AND REIMBURSEMENT FOR TRAVEL

4.1 Travel Allowances

- 4.1.1 All Councillors receive a total remuneration package from the municipality that may include a travel allowance of not more than 25% of the annual total remuneration package.
- 4.1.2 A Councillor has the discretion and may include a travel allowance in the total remuneration package.
- 4.1.3 A Councillor that elected to include a travel allowance within the total remuneration package structure, must meet the following requirements: -
- 4.1.3.1 The travel allowance may only be an amount up to 25% of the total remuneration package.
- 4.1.3.2 A logbook acceptable to the South African Revenue Service (SARS) must be kept, recording the official and private kilometers travelled;
- 4.1.3.3 The travel allowance will be included in the IRP5 of a Councillor for purposes of accounting to SARS;
- 4.1.3.4 On Income Tax Assessment, a Councillor must account to SARS for the use of the travel allowance.

4.2 Reimbursement Allowance for Travel

- 4.2.1 In addition to the travel allowance, as provided for under 4.1 above, a Councillor may claim for the official distances travelled from the municipality.
- 4.2.2 Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the Department of Transport.

5. OFFICIAL BUSINESS TRAVEL

- 5.1 Official business related travel is travel for any purpose that directly relates to the business or job of a councilor and excludes travelling between the place of residence and ordinary place of work or business.
- 5.2 For the purpose of calculating official business travel the following shall be applicable for Councillors:
- 5.2.1 Full-time Councillors shall have their ordinary place of business at the corporate head office of the Municipality;
- 5.2.2 **[Part-time Proportional Representative Councillors shall similarly have their ordinary place of business at the corporate head office of the Municipality;]**
- 5.2.3 Part-time Councillors shall have their ordinary place of business at the corporate head office of the Municipality except for **[Ward]** Councillors whose homes are further than a radius of 15 kilometers from the corporate head office in which cases their ordinary place of business shall be regarded at their respective homes.

6. QUALIFICATION REQUIREMENTS OR ENTITLEMENT TO A REIMBURSEMENT FOR TRAVEL

- 6.1 All travel on business of the municipality, save for the attendance of official meetings of Council and its Committees outside a radius of 15 kilometers from a Councillor's place of business, must be approved as such before a Councillor is entitled to claim for the travel reimbursement.
- 6.2 A Councillor will be reimbursed, in accordance with the kilometer tariff prescribed by the Department of Transport, for official business travel with their private vehicles.
- 6.3 A travel reimbursement claim must be supported by proof of such travel and related documents

6.4 No travel claim will be paid, and no Councillor will be entitled to the reimbursement, if the travel is not related to the official business of the municipality.

7. PROCESS FOR TRAVEL REIMBURSEMENT

7.1 The duly prescribed claim form must be fully completed by a Councillor.

7.2 The prescribed form must be submitted on/or before the last day of the month to the Municipal Manager or the duly delegated official.

7.3 All claims will be reimbursed or paid with the next salary following the date of submitting of the form of such a Councillor.

7.4 A claim for a travel reimbursement must be supported by:-

7.4.1 A logbook acceptable to SARS recording the official kilometers travelled in a defined month; and

7.4.2 Any relevant supporting documentation.

8. LEGAL REQUIREMENTS

In terms of Section 66 of the MFMA, the accounting officer of the municipality must report to the Council, in the format and for the period prescribed, all expenses relating to the Councillors' salaries, allowances and benefits, separately disclosing (*inter alia*) travel allowances.

Policy section	Management Services
Current update	21 February 2022
Previous review	N/A
Approval by Council	26 June 2013