

# **MANGAUNG METROPOLITAN MUNICIPALITY**



## **TRAVEL MANAGEMENT POLICY**

## 1. DEFINITIONS AND ABBREVIATIONS

For purposes of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meanings:-

**“AA Scheme”** means the Automotive Association method used in calculating vehicle operating costs to be paid per km on a quarterly basis.

**“Advances”** means a payment to a traveller, prior to departure, to cover expenses which need to be settled by the traveller while away on official business.

**“Boundaries of the City”** means the boundaries of the City as determined in terms of the demarcation notice (Provincial Notice No. 231) published in the Provincial Gazette, Free State Province of 1 August 2008, issued in terms of section 21 of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), read with section 2 and 4 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998).

**“City”** means the Mangaung Metropolitan Municipality, a municipality established by the Provincial Notice No. 31 of 17 June 2016, issued in terms of section 12 and 16, read with section 14, 15 and 17 of the Local Government: Municipal Structures Act, 1998

**“City Manager”** means the person appointed by the Council of the City as Municipal Manager in terms of section 54A of the Local Government Municipal Systems Act, 2000, as amended by Local Government: Municipal Systems Amendment Act, 2011 (Act No. 7 of 2011) and shall include any person acting in that position or to whom authority is delegated.

**“Cost Containment Measures” (CCM)** means a guide to the municipalities and municipal entities on cost containment measures that must be implemented as per MFMA Circular No 82, dated March 2016, in an effort to address the impact of the country’s economic challenges and to promote growth. The prices mentioned are negotiated between National Treasury and the various stakeholders and will be updated on a yearly basis.

**“Councillor”** means a member of the Council of the City;

**“Day”** means a completed period of twenty four hours away from normal place of domicile and employment on official business for the City;

**“Deputy Executive Mayor”** means the person elected in terms of section 55 of the Municipal Structures Act to be the Deputy Executive Mayor of the City and shall include any person acting in that position or to whom authority is delegated

**“Executive Mayor”** means the person elected in terms of section 55 of the Municipal Structures Act to be the Executive Mayor of the City and shall include any person acting in that position or to whom authority is delegated;

**“Head of Department”** means a person appointed by the Council to head a Directorate of the City and shall include any person acting in that position or to whom authority is delegated;

**“International Travel”** means travel to any country outside the boundaries of the Republic of South Africa.

**“Traveller”** means any councillor or official travelling away from his or her normal place of residence and employment on the official business of the City. For purposes of non-officials- “traveller” shall include a non-official who may have to travel for business to, from or on behalf of the City;

**“SARS”** means the South African Revenue Services;

**“Sponsored Trip”** means a trip where the total cost, or portion thereof is sponsored by a Donor or Third Party other than the City

**“Subsistence allowance”** means an amount of money paid by the City to a traveller in respect of personal and incidental costs (for example refreshments, snacks, drinks and newspapers).- A subsistence allowance does not cover any personal recreation, such as visits to cinemas, theatres, night clubs or sightseeing;

**“Travel Allowance”** means any amount of money paid or advance given, to a Councillor or Official in respect of travelling expenses for business use;

**“Travel Agent”** means a service provider appointed by City that consultants or attends to the details of transportation, itinerary and accommodation for travellers;

## 2. POSITION STATEMENT

- 2.1 Councillors and Officials have to travel from time to time in the execution of their duties with respect to the external relations of the City.
- 2.2 A principle of financial prudence should be followed when assessing the costs associated with authorised official trips ensuring value for public money spent, hence the need for a travel management policy.

## 3. DESIRED OUTCOME

- 3.1 This policy will assist and guide the City in managing its travel activities in an efficient, effective and economic manner, in line with the National treasury guidelines to ensure financial prudence and value for money.

## 4. PURPOSE

- 4.1 The purpose of this policy is to prescribe a process to be followed by the City for the payment of accommodation, travel costs and subsistence allowances for councillors and officials travelling beyond the boundaries of the City.
- 4.2 The other purpose of this policy is to prescribe the process to be followed by the City for the payment of travel expenses for non-officials travelling, either to/from the City.

## 5. SCOPE OF APPLICATION

This Policy is applicable to –

- 5.1 All Councillors and Officials of the City who are travelling on official business, and as such are formal travellers of the City.
- 5.2 This policy shall not be applicable to circumstances where politicians or senior officials claim money, for the entertainment of guests, from their respective cost centre's entertainment allowances.
- 5.3 All non-officials, travelling on City's official business.

## **6. REGULATORY CONTEXT**

This policy is based on and has been developed in terms of the following legislation and City's policies:

- City's System of Delegations of Powers Policy
- Income Tax Act 58 of 1962 (as amended)
- Municipal Finance Management Act (MFMA), Act No. 56 of 2003 (as amended)
- Remuneration of Public Office Bearers Act, 1998 (as amended)
- Municipal Systems Act No. 32 of 2000 (as amended)
- City's Leave Policy

## **7. ROLE PLAYERS**

- 7.1 The principal role player is the Finance Directorate which will be responsible for implementing the policy and administering its on-going management and evaluation.
- 7.2 Key internal stakeholders will include the MAYCO, Portfolio Committees, City Manager, Head of Departments and Chief Financial Officer.
- 7.3 As the policy has jurisdiction over the travel arrangement of councillors and officials, the policy has wide-ranging transversal implications.
- 7.4 In accordance with the delegated powers, the approval of the attendance of meetings is vested in the Executive Mayor, Speaker, City Manager and Head of Directorates for workshops, seminars, conferences, congresses and similar events and special visits which are in the interest of the council, provided that the necessary funds are available on the budget to cover the full cost of the travel, subsistence allowances and fees payable:
  - 7.4.1 Approval by Executive Mayor:  
For attendance by Councillors and City Manager within or outside the boundaries of South Africa
  - 7.4.2 Approval by the Speaker:  
For attendance by Executive Mayor within or outside the boundaries of South Africa
  - 7.4.3 Approval by the City Manager:

For attendance by Head of Directorates within the boundaries of South Africa. The approval of the attendance by officials outside the boundaries of South Africa shall be approved by the City Manager in consultation with the Executive Mayor.

7.4.4 Approval by Heads of Directorates:

For attendance by officials in the directorate within the boundaries of South Africa

## **8. POLICY DIRECTIVE DETAILS TRAVEL MANAGEMENT – OFFICIALS & COUNCILLORS**

In order to promote cost-effectiveness, the City makes use of a Travel Agent to manage its travel and accommodation arrangements.

### **8.1 USE OF AIRLINES**

The City makes use of all airlines as negotiated by National Treasury, i.e. SAA and BA for discounted rates for municipal officials for domestic air travel. These negotiated rates are not applicable for international air travel. Business Class is not encouraged, however, where a single flight exceed five (5) hours consideration may be applied.

8.1.1 For special trips requiring the use of helicopters or chartered aircrafts, special authorisation by either the City Manager or the Executive Mayor, as the case may be.

8.1.2 The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip, Mayoral Committee Members, City Manager, Chairpersons of Committees and the Head of Departments may travel by means of business class on international flights (only if the flight is longer than 5 hours or as approved by the delegated authority) and economy class on national flights at the best available fare to the airport closest to the authorised destination, plus the relevant first class rail, motor coach or boat fare, or any reasonable combination thereof necessary to complete the journey to the said destination.

8.1.3 In all other cases other than the above mentioned the most economical airfare shall be paid for all the travellers who travel by air abroad and within the boundaries of South Africa to the airport closest to the authorised destination, plus the relevant first class rail, motor coach or boat fare, or any reasonable combination thereof necessary to complete the journey to the said destination, provided that, in the case of all members of the Council and all City officials, where there are:

- Time constraints and/or when economy class flights are not available.
- Physical and /or medical reasons, supported by the submission of a letter from a registered medical practitioner, as to why a member of council or an official may not travel in economy class, the City Manager or his/her nominee may authorise travel by means of business class.

8.1.4 Where Councillors and/or Officials are required to accompany the Executive Mayor, Deputy Executive Mayor, Mayoral Committee Members, Speaker, Council Whip, City Manager, and the Head of Departments or delegations from National/Provincial Government, the SALGA or from the private sector on official trips, such Councillors and Officials may travel by means of the same class as the members of the delegations which they accompany.

## 8.2 USE OF VEHICLES

### 8.2.1 Hired Vehicles

8.2.1.1 The City makes use of the major car rental companies interchangeably depending on availability.

- These vehicles shall be managed by the Finance Directorate and/or the Council's approved Travel Agent.
- Only travellers with a valid South African driver's licence may hire vehicles.
- Where a traveller who is not in possession of a valid driver's licence drives vehicle, he or she will be held personally liable for all damages and may be subject to disciplinary action.
- The responsibility and related costs of obtaining an international driving permit, where required, rests with the traveller.

8.2.1.2 Car rental groups:

- The municipal fleet, where viable, must be utilized before incurring costs to hire vehicles.
- Consideration should be given to the use of shuttle services if the cost of kilometres claimable by the employee and the cost of parking are higher than the shuttle services.
- Officials or political office bearers must not hire vehicles from a category higher than **Group B** or an equivalent class.
- Where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, the written approval of the City Manager must be obtained before hiring the vehicle.
- For persons living with disabilities who are only able to drive a particular type of vehicle and those in possession of a driver's licence restricted to automatic vehicles, the most suitable vehicle will be arranged.
- For groups of 5 (five) or more travellers a Microbus or similar vehicle will be arranged.
- The hiring of a vehicle on an international trip is not permitted except in countries neighbouring South Africa.
- A shuttle service may be booked by the travel agent for officials and councillors.

8.2.1.3 No traffic fines will be paid by the City under any circumstance. Traffic fines received for the vehicles hired by the City will be deducted in full from the Official or Councillor responsible in the month that the traffic fine is received, provided that the payroll submission has not closed.

8.2.1.4 Accident costs payable by the City to the car rental companies due to the negligence of a delegate will be for the account of the official or councillor.

### 8.2.2 Private Vehicles

- 8.2.2.1 The boundaries of the City shall be used to determine payment for travel outside such boundaries by means of private transport for officials who are in receipt of a fixed transportation allowance, or where such an allowance has been factored into the total cost of employment package of the official concerned. In such cases, the applicable AA Scheme rates for running (variable) cost will be used.
- 8.2.2.2 Employees who are not in receipt of a travel allowance shall be reimbursed according to the latest prescribed AA Scheme rates for running costs, calculated from their place of residence.
- 8.2.2.3 Those employees who are in receipt of a travelling allowance shall be reimbursed in accordance with the AA Scheme rates for running costs.  
The travelling distance shall be calculated from their place of residence minus the return “home to office” kilometres.
- 8.2.2.4 A traveller who uses private transport to conduct business at or on behalf of the City shall be paid the lower of the following two:
- a cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport; or
  - the actual cost per kilometre as determined according to the rate applicable to the traveller as indicated above.
- 8.2.2.5 A person may not claim subsistence costs for a longer period than would have been applicable in the case of air travel.

## 9. ACCOMMODATION AND MEALS

### 9.1 Accommodation

The cost incurred for domestic accommodation and meals must be in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by National Treasury. The following grading will be applied:

<b>Designation</b>	<b>National Hotel Grading</b>	<b>International Hotel Grading</b>
<i>Executive Mayor, Deputy Mayor, Speaker and Council Whip, Full-time Councillors, City Manager and HOD's</i>	<i>5 Star –limited to the amounts as approved by National Treasury. (Maximum R2500 per day)</i>	<i>The higher of a 5 star or grading used by the delegation from South Africa</i>
<i>Deputy Heads of Departments; Chief of Staff and General Managers</i>	<i>4 Star - limited to the amounts as approved by National Treasury. (Maximum R1550 per day)</i>	<i>The higher of a 4 star or grading used by the delegation from South Africa</i>
<i>All other Officials</i>	<i>3 Star maximum of 4 Star - limited to the amounts as approved by National Treasury. (Maximum R1550 per day)</i>	<i>The higher of a 4 star or grading used by the delegation from South Africa</i>

\*The tariffs per person per night will include dinner, bed and breakfast, tourism levy and 2 soft drinks at dinner.

Accommodation depends on availability, locality and rates and if no accommodation is available from the abovementioned hotels, the travel agencies must obtain quotes to ensure the best possible prices.

If a person/s nominate to make use of accommodation that is not in the aforementioned category, that person/s will be held responsible for the difference, as Council will only pay for the rates as negotiated by National Treasury.

## **9.2 Meals expenses - Local Travel**

Where the recipient is obliged to spend a night away from his/her usual place of residence on business and the accommodation to which that allowance or advance is granted to pay for:

- Meals and incidental costs, an amount of R 397.00 per day is deemed to have been expended if a delegate is responsible for his own private accommodation.
- Incidental costs only, an amount of R 122.00 for each day.
- Money spent on alcoholic beverages may not be claimed from the City in terms of this policy.
- A service charge of up to 10% of the bill will also be reimbursed.
- Reimbursement of monies spent on meals may only take place on condition that the traveller departed on the official journey in accordance with the following times:

(i) Breakfast - departure from home must be before 06:00

(ii) Lunch - return to home is after 14:00

(iii) Dinner - return to home is after 20:00

- The maximum to be claimed for meals may not exceed R 275.00 per day (R 397.00 - R 122.00)
- Where special circumstances exist which necessitate a deviation from the above restrictions, prior approval of the City Manager or the Executive Mayor, as the case may be, should be obtained.

## **9.3 Meals expenses - International Travel**

A daily allowance as stipulated by the SARS schedule for foreign travel will be paid to a delegate where the official trip is outside the Republic of South Africa. The prescribed rates applicable to the relevant country for each tax year will be published by notice in the Government Gazette. The allowance is paid to defray the cost of meals and incidental costs deemed to have been expended.

## **10. MISCELLANEOUS EXPENSES**

### **10.1 Miscellaneous Expenses – National**

10.1.1 The following expenses incurred are regarded as miscellaneous and may be claimed within the boundaries of the Republic of South Africa on production of proof of expenditure:

- Laundry (only if the Official/Councillor is away from his/her residence for a period exceeding 7 days)
- Parking fees while travelling



- Toll fees
- Public transport costs
- Any additional reasonable claim (to be recommended by the Chief Financial Officer for City Manager's approval).

## **10.2 Miscellaneous Expenses - International**

10.2.1 The following expenses incurred may be claimed on production of proof of expenditure:

- Laundry ( only if the Official/Councillor is away from his/her residence for a period exceeding 7 days)
- Parking / bus fares;
- Transport costs to and from official meetings;
- Official telephone / fax / internet / cell phone expenses (e.g. sms), except roaming costs related to calls up to the limit prescribed by the City Manager prior to departure;
- Visas (for the shortest available period);
- Inoculations;
- Specialised tours / entries to events related to the travelling;
- Any additional reasonable claim

## **11. ADVANCES AND CLAIMS**

11.1 Advances may be paid for official journeys. Councillors or Officials shall submit a reconciliation, together with supporting documentary proof of disbursements on the official trip within seven days of return from such trip.

## **12. COUNCILLOR TRAVEL: CONDITIONS AND REPRESENTATION**

### **12.1 Local Travel**

The Executive Mayor or the Speaker (as the case may be) bears responsibility for approval of local trips.

12.1.1 Local Travel shall be measured against the following criteria:

- A trip serves the purpose of adding value to the work of the Councillor for the City as it pertains to the councillor's portfolio;
- A trip serves the purpose of providing training that empowers the Councillor in his/her portfolio;
- A trip serves the purpose of providing training that empowers the Councillor in performing his/her duties for the community.

12.1.2 Local trips shall be applied for by:

- Per invitation received by the City and any of its departments calling for City representatives;

12.1.3 Trip nominees shall be considered for travel for the purposes of work pertaining

to portfolios by the Executive Mayor:

- 12.1.4 Trip nominees shall be considered for travel for the purposes of training pertaining to duty as a councillor by the Speaker:

## **12.2 International Travel**

- 12.2.1 International travel is defined as travel to a location outside of the territorial boundaries of the Republic of South Africa.
- 12.2.2 International travel will only be for the purposes of portfolio-specific work and, as such, will mostly be limited to MAYCO members, who bear political responsibility for portfolios on behalf of the Executive Mayor or, in their absence, portfolio committee chairpersons or a nominee of the Executive Mayor.
- 12.2.2.1 The Executive Mayor bears responsibility for final approval of international travels.
- 12.2.3 International Travel shall be measured against the following criteria:
- 12.2.4 A trip serves the purpose of adding value to the work of the Councillor or the City as it pertains to the councillor's portfolio;
- 12.2.5 International trips shall be applied for by:
- Per invitation received by the City and any of its departments calling for City representatives;
- 12.2.6 Trip nominees shall be considered for travel for the purposes of work pertaining to portfolios by:
- Consultation by the Executive Mayor with the relevant stakeholders of the portfolio to assess the value-add of the trip;
  - If an invitation has been made to the City, first preference will be given to the chair or an appropriate nominee of the relevant committee if the City is not being represented by the relevant MAYCO member.

## **13. OFFICIALS SUPPORTING COUNCILLORS ON LOCAL AND INTERNATIONAL TRIPS**

- 13.1 Where appropriate, officials will support councillors on local and international trips if approved by the City Manager.
- 13.2 Officials will only accompany councillors on trips where a representative from the administration is required for support or representative purposes.
- 13.3 Due regard will be given to reducing unnecessary expenditure and reducing

unnecessary travel by the relevant line authority.

#### **14. SPONSORED TRIPS**

- 14.1 A trip shall be regarded as sponsored when the full / partial cost of the trip is borne by an institution other than the City.
- 14.2 In the case of Officials, the sponsored trips will be approved by the City Manager. In the case of Councillors it will be approved by the Executive Mayor or the Speaker in line with the delegations of powers.

#### **15. INTERNATIONAL TRAVEL INSURANCE**

- 15.1 Travellers, where the necessary travel and special leave forms have been duly authorised by the delegated official, will be insured by Council in terms of its current approved policies, practices and standard operating procedures. The insurance shall cover, inter alia, the following:
- medical expenses and assistance services;
  - personal accident, including death and disability, as well as repatriation and evacuation;
  - luggage;
  - travel documents and it does not include an international driving permit;
  - personal liability; and
  - cancellation, curtailment, and default on travel and accommodation.
- 15.2 Insurance cover is only for the period that the traveller is away from home or place of work on a trip relating to Council business. Any other extra days spent by the traveller outside council business will be regarded as private.
- 15.3 Private vehicles and contents thereof will not be covered under this Policy.
- 15.4 Hired vehicles are automatically covered for both Super Waiver Damage and Theft by the vehicle rental company.

#### **16. GIFTS AND PROMOTIONAL GOODS**

- 16.1 Where appropriate, the traveller may give gifts. Suitable promotional and marketing products shall be supplied, on request, by the appropriate department of Council.
- 16.2 Gifts received are subject to guidelines as set out in the Gifts Policy.

#### **17. IMPLEMENTATION, REPEAL AND REVIEW**

- 17.1 This policy framework is important for the financial compliance of the City. It provides an all-inclusive administrative procedure for the management of the Travel Policy.

- 17.2 This Policy repeals the Travel and Subsistence Allowances Policy of 2006, as endorsed by City's Council in August 2011.
- 17.3 This shall be implemented once approved by Council.
- 17.4 Directorates are to ensure that during implementation stages of this Policy, there is consistent monitoring and evaluation of the Policy as indicators will inform blockages within the Policy implementation phases.
- 17.5 Changes in legislation or any circumstances that so warrant, must be taken into account for future amendments to this Policy.
- 17.6 Any amendments to this Policy must be submitted to Council for consideration and approval.