

Final Budget Policy Changes 2021-2022

1. Cash Management and Investment Management Policy

Changes:

8.3 Investment Objectives

8.3.1 Objective 1 - Security

The first and foremost objective for investments is the preservation and safety of the principal amount invested. It is a requirement of this municipality that investments may only be made with institutions with a credit rating by Moody's on local currency (long term) of ~~Baa3~~ **Ba2** and better.

8.6 Qualifying Institutions

It is of utmost importance that the investments only be placed with credit – worthy institutions with a credit – rating by Moody's on local currency (long term) of ~~Baa3~~ **Ba2** and better.

2. Cost Containment Policy

10.4 Subsistence Cost:

10.4.1. ~~Overnight Stays~~

~~When travelling to a destination outside the boundaries of the Theewaterskloof Municipality in circumstances requiring absence from the office for longer than 24 hours and exceeds a distance of 500kms (except otherwise approved by Accounting Officer), the following may be claimed (the time of departure from workplace up until the time of arrival back at workplace shall be used for purposes of calculating the length of absence):~~

10.4.1.1. ~~Accommodation~~

~~a) — Actual expenditure related to stay in accommodation for both domestic and overseas travel, but restricted to:~~

~~The relevant accommodation tariff not exceeding the amount of R1250 per night (as per National Treasury Benchmark).~~

~~If the cost per night amounts to an amount between R1 250 and R2100 per night, it must be approved by the Accounting Officer (as per National Treasury Benchmark).~~

10.4.1.2. Meal expenses (as per National Treasury Benchmark).

The following maximum meal allowances will be paid for meals:

If not supplied at the seminar / workshop / congress or event.

10.4.1.2.1 Breakfast: R120 or the tariff in which accommodated; (If departure from workplace is before 06:00);

10.4.1.2.2 Lunch: R150 or the tariff in which accommodated; (If return to workplace is after 14:00); and

10.4.1.2.3 Dinner: R150 or the tariff in which accommodated; (If return to workplace is after 18:00).


10.4.1.3 Maximum meal allowances payable on the day of departure:

10.4.1.3.1 Breakfast: R120 or the tariff in which accommodated (If departure from workplace is before 06:00);

10.4.1.3.2 Lunch: R150 or the tariff in which accommodated (If departure from workplace is before 10:00); and

10.4.1.3.3 Dinner: R150 or the tariff in which accommodated

Replace with National Treasury Table

Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
Graded Hotel, Boutique Hotel, Lodge or Resort			
	BAND 1	BAND 2	BAND 3
1 Star	R 590	R 730	R 855
2 Star	R 920	R 1 050	R 1 230
3 Star	R 1 120	R 1 230	R 1 400
4 Star	R 1 275	R 1 380	R 1 550
5 Star	R 2 140	R 2 250	R 2 500
Bed & Breakfast, Country House or Guest house			
	BAND 1	BAND 2	BAND 3
1 Star	R 3350	R 495	R 630
2 Star	R 510	R 670	R 830
3 Star	R 920	R 1 080	R 1 230
4 Star	R 1 020	R 1 180	R 1 330
5 Star	R 1 225	R 1 385	R 1 530
Self-Catering*			
	BAND 1	BAND 2	BAND 3
1 Star	R 590		
2 Star	R 920		
3 Star	R 1 120		
4 Star	R 1 275		
5 Star	R 1 475		
Meals**			
	BAND 1	BAND 2	BAND 3
Breakfast	R 110	R -	R -
Lunch	R 160	R 160	R 160
Dinner	R 180	R 180	R -
Total	R 4500	R 340	R 160
<i>Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.</i> <i>*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.</i> <i>Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.</i> <i>**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.</i>			

3. Credit Control and Debt Collection Policy

CHANGES TO BE MADE:

Definitions were inserted

1. Definitions

For the purpose of this policy any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in this policy and unless the context indicates otherwise –

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“**Act**” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as amended from time to time.

“**arrears**” means any amount due and payable to the municipality which has not been paid on or before the due date.

“**Delegated official**” means any official of the Council who has been authorised by it to administer, implement and enforce the provisions of this policy.

“**billing**” means proper and formal notification by means of a statement of account to persons liable for monies levied for assessment rates and other taxes and the charges or the fees for municipal services and indicating the net outstanding balance of the account.

“**by-law**” means a by-law adopted by the Council.

“**Chief Financial Officer or CFO**” means a person appointed by the Council to manage the Council's financial administration.

“**council**” means the municipal council of the Theewaterskloof Municipality.

“**credit control and debt collection**” means the functions relating to the collection of any monies due and payable to the municipality.

“**customer/ consumer**” means any occupier of any premises to which the municipality has agreed to supply or is actually supplying services, or if there is no occupier, the owner of the premises.

“**customer care**” means focusing on the client's needs in a responsible and pro-active way to encourage payment and to create a positive and reciprocal relationship between persons liable for the payment of services and the municipality, and when

applicable, a service provider, thereby limiting the need for enforcement, as far as practicably possible.

“debt” means any monies owing to the municipality in respect of the rendering of municipal services, and includes monies owing in regard to property rates, housing, motor vehicle registration and licensing, terminated leases, and any other outstanding amounts, inclusive of any interest thereon, owing to the Municipality.

“defaulter” means a person owing the municipality money in respect of taxes and/or services rendered after the final date of payment.

“disconnection of services” means the physical disconnection of conventional or pre-paid electricity supply or the 100% blocking of pre-paid electricity supply and the restriction of water supply via restrictor system.

“due date” means the date specified on the tax invoice as the last date for payment.

“engineer” means the person in charge of the civil or electrical components of the municipality.

“financial year” means a year starting on 1 July and ending on 30 June.

“household” means a family unit comprising of the head of the family, being a natural person, and may include blood related or adopted dependants who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.

“interest” means the standard rate of interest, charged on arrear balances of 30 days or more from the date of invoice, calculated as the prime rate plus one percent

“law” includes any by-law.

“municipal account” shall include levies or charges in respect of the following services and taxes:

- a) electricity consumption;
- b) water consumption;
- c) refuse removal;
- d) sewerage services;
- e) rates;
- f) interest and/or surcharge;
- g) housing rentals and instalments; and
- h) miscellaneous and sundry charges.

and “tax invoice” has a corresponding meaning.

“Municipal Manager” means the person appointed by the Municipal Council as the Accounting Officer of the municipality in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) and also includes any person:

- a) acting in such position; and
- b) to whom the Municipal Manager has delegated a power, function or duty.

“municipal services” those services, rates and taxes reflected on the municipal account for which payment is required by the municipality.

“occupier” means any person who occupies any premises or part thereof, without any regard to the title under which he or she so occupies.

“owner” means -

- (a) the person in whom the legal title to the premises is vested. In a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- b) in any case where the Council is unable to determine the identity of such person;
- c) a person who is entitled to the benefit of such premises or a building thereon;
- d) in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof; in relation to -
 - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above provisions, the developer or the body corporate in respect of the common property; or
 - (ii) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed, including the lawfully appointed representative of such person.
- e) any legal person including but not limited to:
 - (i) a company registered in terms of the Companies Act, 2008 (Act 71 of 2008), Trust *inter vivos*, Trust *mortis* cause, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984), and a Voluntary Association;
 - (ii) any government department;

(iii) any council or board established in terms of any legislation applicable to the Republic of South Africa: or

(iv) any Embassy or other foreign entity.

f) owned by a council and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and

g) owned by or under the control or management of a council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the immovable property.

“premises” includes any piece of land, the external surface boundaries of which are delineated on –

a) a general plan or diagram registered in terms of the Land Survey Act, 1927 (Act 9 of 1927) or in terms of the Deeds Registry Act, 1937 (Act 47 of 1937); or

b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986), which is situated within the area of jurisdiction of the Municipality.

“property” means –

a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or

d) Public Service Infrastructure.

“rate” or **“rates”** means a municipal rate and includes any additional rates on property as envisaged in section 229 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

“Tenant” a person who occupies land or property rented from a landlord.

Chapter 2 Clause 2.4 reads as follow:

2. Accounts for services rendered

2.4 A person is liable for payment of an account, whether or not that person has received an account by mean of posting, email or hand delivery.

Chapter 2 Clause 2.4 was amended and should read as follow:

2.4 In the event that the consumer does not receive an account due to unforeseen reasons, he/she is still obliged to pay the account that is due and payable. The onus shall be on the consumer to obtain a copy of the account before the due date

Chapter 2 Clause 4.2 reads as follow:

4. Accuracy of customer billings

4.2 If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property concerned, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts for which meter readings were obtained (or a longer period, if justifiable). The accountholder will then be billed for the monetary value of such estimated consumption until the meter is again rendered accessible.

Chapter 2 Clause 4.2 was amended and should read as follow:

4.2 If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property concerned or **a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality**, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts for which meter readings were obtained (or a longer period, if justifiable). The accountholder will then be billed for the monetary value of such estimated consumption until the meter is again rendered accessible.

Chapter 2 Clause 4.5 reads as follow:

4.5 Water leakages

If the leakage is on the consumer's side of the meter, the consumer will be responsible for the payment of all water supplied to the property. The consumer has the responsibility to control and monitor his/her water consumption.

- (a) A consumer may qualify for a reduction in levy as determined by Council on his/her account in the event of a water leakage, if:
- (i) the leakage was underground or under the foundation of the building and not easily detectable; and
 - (ii) the leakage was repaired within 72 hours after detection /notification by the municipality; and
 - (iii) the consumer has not applied for discount on water leakages within the previous 12 months; and

(iv) an authentic certificate issued by a registered plumber must reach the Municipality after completion of repairs done with respect to a water leakage and must contain the following:

- the date of the invoice and repair work as well as the receipt; and
- confirmation that surface leakage was not visible; or

(v) If repairs were done by the consumer themselves, his / her sworn affidavit must reach the Municipality within 10 days after completion of repairs done with respect to a water leakage and must contain the following:

- the date of the invoice and repair work as well as the receipt and/or date stamped photos proving that the leak was underground and repaired by themselves; and
- proof that the reading has normalised; and
- confirmation that surface leakage was not visible.

(b) Water lost due to the meter being stolen, defective irrigation, broken geyser, leaking toilet or leaking tap cannot be considered for reduction; Council may only allow a write off, of 60% of the losses and to the maximum of R25,000.00

Chapter 2 Clause 4.5 was amended and should read as follow:

4.5 Water leakages

- a) If the leakage is on the side of the consumer, the consumer is responsible for the payment of the full account.
- b) The consumer has the responsibility to control and monitor his/her consumption.
- c) The consumer is responsible for private reparation of water pipes behind the meter.
- d) Water leakage discount will not be considered in the instances of leakages at irrigation systems, geysers or toilets.
- e) Where the loss of water resulted from malicious damage to external pipes & fittings and where this act was reported to the South African Police Service (SAPS) a case number should be provided.
- f) An abnormal water leakage will be dealt with as follows:
 - A customer will qualify for a water leakage discount upon completing the prescribed application form with proof of the following attached:
 - An sworn affidavit that the leak was not easily detectable on the surface (proof may be requested);
 - The leak was repaired within 72 hours since its detection;
 - The customer may apply only once in a cycle of 24 months for a discount; and

- Suitable proof of repair should be submitted containing the following information:
 - Date and cost of repair; and
 - Affidavit from the person who has repaired the leak that the leak was not easily detectable
- Discount for usage will be calculated over the period the leak was present and will be equal to the consumption above the average normal consumption
- Discount for business usage will be calculated over the period the leak was present and will be equal to the consumption above the average normal consumption
- It is the responsibility of the customer to control and monitor his/her consumption.
 - Where there is an abnormal water consumption that cannot be substantiated after the meter test results are obtained, the Technical Officer or his delegated official must furnish the Head Financial Operations with a recommendation based on the consumption of the consumer's average consumption pattern for the previous 12 months.

Chapter 2 Clause 5.1.8 reads as follow:

5.1.8 The council may replace existing credit meters for water and electricity with prepaid meters at its discretion to prevent debtors already in arrears to accumulate further debts for the services of water and electricity. In terms of section 28(1) of Municipal Property Rates Act, 2004: If an amount due for rates levied in respect of a property is unpaid by the owner of the property, the municipality may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier. The municipality may recover an amount only after the municipality has served a written notice on the owner and tenant/s and/or occupier/s. Any amount a municipality recovers from the tenant or occupier of the property must be set off by the tenant or occupier against any money owed by the tenant or occupier to the owner. The tenant or occupier of a property must, on request by a municipality, furnish the municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent to other money payable on the property during a period determined by the municipality.

Chapter 2 Clause 5.1.8 was amended (duplication) and should read as follow:

5.1.8 The council may replace existing credit meters for water and electricity with prepaid meters at its discretion to prevent debtors already in arrears to accumulate further debts for the services of water and electricity.

Chapter 2 Clause 7.1.3 was inserted

7.1.3 arrear account

Chapter 2 Clause 7.4 was deleted

Chapter 2 Clause 9 was amended and should read as follow:

9. Action against non-payment or defaulters

9.1 *As the accrual system is used to record income it requires that all income must be collected to finance expenditure. The principle is accepted that recurring income must finance recurring expenditure within the budget cycle of twelve months. The debtors turnover rate should not at any time exceed the national norm of forty two days.*

9.2 *Letter of demand*

9.2.1 *Notice will be given by letter of demand, electricity and water notice, or sms to every owner or consumer, who is in arrears with his/her municipal account – **Registered Indigent Debtors may be excluded.***

Notices can be issued via hand or electronically which will be charged to the account.

9.3.2 Rates, Refuse Removal, Sewerage, and sundries

The municipality will institute legal action and take steps to attach or dispose of the applicable properties in lieu of outstanding rates and charges.

The accounting officer may also consider discontinuing certain services where possible until sufficient payments are received and or acceptable arrangements are in place.

The municipality may restrict water or disconnect electricity if any of the above services are in arrears.

4. INDIGENT POLICY SIGNIFICANT CHANGES

CHANGES AS WORKSHOPPED WITH COUNCIL

CURRENT POLICY READS AS FOLLOW:

- No definitions in current policy

AMENDED AND SHOULD READ AS FOLLOW:

1. DEFINITIONS

- a) *“basic services” means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services*

- b) *“child-headed household” means a household where all the occupants of a residential property are younger than 18 years old and the household is headed by a child as defined in section 28(3) of the Constitution. Therefore –*
 - i. *The parents of the household have died;*
 - ii. *A minor has assumed the role of care giver in respect of another minor in the household;*
 - iii. *Such minors reside permanently on the property; and*
 - iv. *The situation pertaining to the household has been verified by a social worker.*

- c) *“credit control and debt collection policy” means the council approved policy dealing with these. This indigent policy is subject to that policy in all aspects and must be read in unison.*

- d) *“household income” is the gross sum of all monthly income from all occupants/residents/dependants, including wages, salaries, profits, dividends, pensions, rentals, board & lodging and interest received.*

- e) *“indigent household” means a family unit comprising of the head of the family, being a natural person, and may include blood related or adopted*

dependants who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.

f) *“indigent subsidy” means a subsidy to indigent households to ensure the receiving of basic services of which the funding is restricted to the Equitable Share receive from National Government.*

g) *“occupier” means any person who occupies any premises or part thereof, without any regard to the title under which he or she so occupies.*

h) *“owner” means –*

- i. the person in whom the legal title to the premises is vested. In a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;*
- ii. in any case where the Council is unable to determine the identity of such person a person who is entitled to the benefit of such premises or a building thereon;*
- iii. in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof; in relation to –*
 - 1. a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above provisions, the developer or the body corporate in respect of the common property; or*
 - 2. a section as defined in such Act, the person in whose name such section is registered under a sectional title deed, including the lawfully appointed representative of such person.*
- iv. any legal person including but not limited to*
 - 1. a company registered in terms of the Companies Act, 2008 (Act 71 of 2008), Trust inter vivos, Trust mortis causa, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984), and a Voluntary Association;*
 - 2. any government department;*

**3. any council or board established in terms of any legislation applicable to the Republic of South Africa:
or**

4. any Embassy or other foreign entity.

v. owned by a council and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and

vi. owned by or under the control or management of a council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the immovable property.

i) "seasonal worker" means any person who is employed by an employer for an aggregate period of at least one to three months over a 12-month period with the same employer and whose work is interrupted by reason of a seasonal variation in the availability of work.

CURRENT POLICY READS AS FOLLOW:

1. Qualifying as an indigent

CATEGORY 1: HOUSEHOLD INCOME (MEANS APPROACH)

To qualify for 100% subsidy applicants should meet all the following criteria:

1.1 A household where the combined or joint gross income of all occupants/residents/dependants, over the age of 18 years or who have potential earning capacity, is less/equal than twice the monthly SASSA old age pension grant and can no longer afford to pay for the services. Ward councilors will be provided the opportunity to peruse the list of applications received monthly to confirm that the applicant meets the requirements. If the applicant doesn't meet the requirement his / her subsidy will be cancelled automatically.

The following SASSA grants should not be added to the qualifying income threshold as announced by the minister:

(a) additional grant for older persons;

(b) disability grant;

(c) war veterans grant;

(d) care dependency grant;

(e) foster child grant;

- (f) child support grant;
- (g) grant-in-aid;
- (h) social relief of distress

AMENDED AND SHOULD READ AS FOLLOW:

CHAPTER 2: INDIGENT POLICY

1. QUALIFYING AS AN INDIGENT

CATEGORY 1: HOUSEHOLD INCOME (MEANS APPROACH)

To qualify for 100% subsidy applicants should meet all the following criteria:

- 1.1 A household where the combined gross ***sum of all monthly income from all occupants/residents/dependants, including wages, salaries, profits, dividends, pensions, rentals, board & lodging and interest received is less/equal than twice the monthly SASSA old age pension grant and can no longer afford to pay for the services.*** Ward councilors will be provided the opportunity to peruse the list of applications received monthly to confirm that the applicant meets the requirements. If the applicant does not meet the requirement his / her subsidy will be cancelled automatically.

All SASSA administered grants to be excluded when determining the household income threshold.

CURRENT POLICY READS AS FOLLOW:

CHAPTER 2: INDIGENT POLICY

1. QUALIFYING AS AN INDIGENT

CATEGORY 1: HOUSEHOLD INCOME (MEANS APPROACH)

- 1.9 An account should be opened in the name of the tenant, provided that the owner gives written consent that the tenant is the occupant, the amount of monthly rental payable and a further undertaking that the owner must inform council in writing when the tenant vacates the house in order to terminate the subsidy. If not terminated, the owner will be held liable for any undue subsidies granted to him (owner) or a new tenant. ***A separate group code must be opened for "Tenant Indigents".*** The owner must supply council with a lease contract where the lessee is an indigent person. If prepaid meter is installed at low-cost housing schemes, no connection fees for water and electricity are payable. ***Due to the indigent status that might change no deposit, refund is allowed. Should the indigent status change a deposit may become payable, which will be calculated on services provided.***

AMENDED AND SHOULD READ AS FOLLOW:

CHAPTER 2: INDIGENT POLICY

1. QUALIFYING AS AN INDIGENT

CATEGORY 1: HOUSEHOLD INCOME (MEANS APPROACH)

- 1.9 An account should be opened in the name of the tenant, provided that the owner gives written consent that the tenant is the occupant, the amount of monthly rental payable and a further undertaking that the owner must inform council in writing when the tenant vacates the house in order to terminate the subsidy. If not terminated, the owner will be held liable for any undue subsidies granted to him (owner) or a new tenant. The owner must supply council with a lease contract where the lessee is an indigent person. If prepaid meter is installed at low-cost housing schemes, no connection fees for water and electricity are payable.

CURRENT POLICY READS AS FOLLOW:

CATEGORY 2: DEEMED INDIGENTS (TARGETING APPROACH)

- 2.1 The property is a RDP property, and the municipal value of property does not exceed the maximum value as determined.
- 2.2 The property is used for residential purposes only as reflected in General Valuation roll.
- 2.3 Staff members, government employees and councillors will not qualify as deemed indigents.
- 2.4 No application is required. (Council will determine process from time to time).
- 2.5 A list of potential indigents in registered RDP areas will be generated and securitised by means of combination targeting.
- 2.6 The final approved list per RDP area will be registered as deemed indigents.
- 2.7 The list of deemed indigents will be under continuous review to establish accuracy and correctness.
- 2.8 The subsidy will be reversed and deregistered and all charges placed back on the account if investigations reveal the beneficiary do not qualify as a deemed indigent.

AMENDED AND SHOULD READ AS FOLLOW:

CATEGORY 2: DEEMED INDIGENTS (TARGETING APPROACH)

- 2.1 The property is a ***low cost housing*** property.
- 2.2 The property is used for residential purposes only as reflected in General Valuation roll.
- 2.3 Staff members, government employees and councillors will not qualify as deemed indigents.

- 2.4 No application is required. (Council will determine process from time to time).
- 2.5 A list of potential indigents in registered **low cost housing developments** will be generated and securitised by means of combination targeting.
- 2.6 The final approved list per **low cost housing development** will be registered as deemed indigents.
- 2.7 The list of deemed indigents will be under continuous review to establish accuracy and correctness.
- 2.8 The subsidy will be reversed and deregistered and all charges placed back on the account if investigations reveal the beneficiary do not qualify as a deemed indigent.

CURRENT POLICY READS AS FOLLOW:

- **Not included in the current policy.**

AMENDED AND SHOULD READ AS FOLLOW:

CATEGORY 5: RELIEF FOR REGISTERED SAFE HOUSES

The following is required if a Safe House is to receive an indigent subsidy:

- 1.1 The organization must be registered as a non-profit organization;
- 1.2 The management of the non-profit organization must make an application for indigent subsidy annually;
- 1.3 It is the responsibility of the management of such organization to inform Council if circumstances had changed to such an extent that they no longer qualify; and
- 1.4 The amount of the subsidy will be based on 25% of the monthly service account of the institution.

CURRENT POLICY READS AS FOLLOW:

3. Period for qualification

Applied and approved indigents

The period for implementation of the indigent policy is to be determined by the council during its budgetary process.

Approved indigents (applied and approved) will qualify for the subsidy for the financial year starting 1 July till 30 June whereby the subsidy will automatically lapse and a new application should be submitted.

For the financial year July 2020 – 30 June 2021 all indigents (applied and approved) registered on the indigent register as at 30 June 2020 will for the transition stage automatically be registered for the 2020-2021 financial year.

After the transition period applications must be submitted from April of each year. Applicants must ensure that in order to receive the subsidy for a full financial year

they apply before 30 June of each year, otherwise they will only receive the subsidy for the remainder of the financial year.

An indigent customer must immediately request de-registration by the municipality if his/her circumstances have changed to the extent that he/she no longer meets the qualification set out in this policy.

Once off application for pensioners with income less/equal than the SASSA pension grant.

Notification will be sent to every individual expired indigent consumer one month before their subsidy expires.

AMENDED AND SHOULD READ AS FOLLOW:

3. PERIOD FOR QUALIFICATION

The period for implementation of the indigent policy is to be determined by the council during its budgetary process.

Category 1 Indigents (Household Income) will qualify for the subsidy for the financial year starting 1 July *until* 30 June whereby the subsidy will automatically lapse and a new application should be submitted.

This process may be reviewed and amended by the accounting officer or his her designate in the case of unforeseen circumstances or other constraints e.g. extension of indigent benefits due to the declaration of a national disaster.

Applications should be submitted from April of each year. Applicants must ensure that in order to receive the subsidy for a full financial year they apply before 30 June of each year, otherwise they will only receive the subsidy for the remainder of the financial year.

An indigent customer must immediately request de-registration by the municipality if his/her circumstances have changed to the extent that he/she no longer meets the qualification set out in this policy.

Once off application for pensioners with income less/equal than the SASSA pension grant.

Notification will be sent to every individual expired indigent consumer one month before their subsidy expires.

CURRENT POLICY READS AS FOLLOW:

7. Control systems for indigents

- 7.8 If a consumer's consumption or use of a municipal service is less than the subsidised service, the unused portion may not be accrued by the consumer

and will not entitle the consumer to cash or a rebate in respect of the unused portion.

(b) If a consumer's consumption or use of a municipal service is more than the subsidised service, the customer must pay for such excess consumption at the applicable rate.

AMENDED AND SHOULD READ AS FOLLOW:

7.8 If a consumer's consumption or use of a municipal service is less than the subsidised service, the unused portion may not be accrued by the consumer and will not entitle the consumer to cash or a rebate in respect of the unused portion.

(b) If a consumer's consumption or use of a municipal service is more than the subsidised service, the customer must pay for such excess consumption at the applicable rate.

(c) Credit Control Action may be taken against defaulting Indigent Debtors

CURRENT POLICY READS AS FOLLOW:

- **Not included in the current policy.**

AMENDED AND SHOULD READ AS FOLLOW:

9. IRRECOVERABLE DEBT

All debtors who are registered as indigent may have their arrears written off once a year as per Councils Write-Off Policy.

Once an amount has been written off as irrecoverable for the second time (with the first application and then thereafter), the water meter may be put on restricted flow control, allowing 6 kilolitres per month.

5. Write-Off Collection Policy

CHANGES TO BE MADE:

Clause 5.1.2 reads as follow:

1. CATEGORIES OF DEBTORS THAT MAY QUALIFY FOR INCENTIVES AND WRITING-OFF OF IRRECOVERABLE

5.1 Indigent household consumers

5.1.1 Upon approval for registration as indigent household's consumer, the debtor's outstanding balance will be considered for write-off upon confirmation of indigent status.

5.1.2 Any new arrears accumulated by the debtor (i.e. any amounts in excess of the indigent allowance for free basic services) whilst registered as an indigent consumer, will not qualify to be written-off and must be dealt with strictly in accordance with the municipality's credit control and debt collection policies. Therefore, these arrears can only accumulate for –

- (a) The kWh units of electricity consumed or to be consumed above the monthly free kWh units of electricity (annually approved by Council) for an indigent household who has a conventional electricity meter;
- (b) The kilolitres of water consumed or to be consumed above the 6 kilolitres of free water per month by an indigent household who has a conventional water meter; and
- (c) Excess rates payable on the market value of a residential property that are not exempted from paying property rates and that does not qualify for a 100% indigent subsidy in terms of Council's property rates policy.

Clause 5.1.2 was amended and should read as follow:

5 CATEGORIES OF DEBTORS THAT MAY QUALIFY FOR INCENTIVES AND WRITING-OFF OF IRRECOVERABLE

5.1 Indigent household consumers

5.1.1 Upon approval for registration as indigent household's consumer, the debtor's outstanding balance will be considered for write-off upon confirmation of indigent status.

- 5.1.2 Once an indigent application has been registered for the first time, all arrear balances (including Rates) will be written off. All debtors who are registered as indigents may have their arrears written off once a year.

Chapter 5.3 read as follow:

5.3 Special incentives: Interest write-off

Interest written-off in terms of Councils incentive scheme must be presented to the appropriate category of authority. Refer to attached copy of interest incentive scheme.

If a residential consumer makes an arrangement to pay off arrears, the following will apply:

All interest in respect of such arrears will be written off and provided that if such debtor fails to pay his/her monthly arrangement amount for a period of three months, the arrangement will be terminated, and the interest that was written off, will be debited against his/her account.

No interest will be charged on the arrangement amount.

Chapter 5.3 was amended and should read as follow:

5.3. Special incentives: Interest write-off

Interest written-off in terms of Councils incentive scheme must be presented to the appropriate category of authority. Refer to attached copy of interest incentive scheme.

If a residential consumer makes an arrangement to pay off arrears, the following will apply:

All interest in respect of such arrears will be written off and provided that if such debtor fails to pay his/her monthly arrangement amount for a period of three months **consecutively**, the arrangement will be terminated, and the interest that was written off, will be debited against his/her account.

No interest will be charged on the arrangement amount.

Chapter 5.4 was inserted and should read as follow:

5.4 Government accounts

Interest written-off in terms of the Public Finance Management Act, Act No.1 of 1999 and the Intergovernmental Relations Framework Act, Act No. 13 of 2005 of which the

purpose of the Act is to establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith.

6.RATES POLICY

Section 8: RELIEF MEASURES

The following was inserted:

8.9 Properties with a value equal or below a minimum threshold

To avoid fruitless and wasteful expenditure, the Council will not levy a rate on any private road or any other property where the market value of the property is equal or less than R15 000 or such other amount as may be determined by Council from time to time.

Section 9: LIABILITY FOR AND PAYMENT OF RATES

The following was inserted:

9.4 Multiple owners

Council will not split a municipal account as a result of multiple ownerships or “backyard dwellers” and will hold the owners of the property liable for the payment of the account.

Section 12: CLEARANCE CERTIFICATES

The following was inserted:

12. (vii) No interest shall be paid in respect of refunds.

(viii) Council may levy a service deposit on the new owners account as soon as the change of ownership is finalised on the financial system.

Section 13: GENERAL

The following was inserted under 13.1 Applications for relief measures:

(i) A person who provides false information will be held liable for the immediate re-payment of any rebates already granted.

7.Tariff Policy

Clause 7.1.1(a) was inserted

- (iii) A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all water consumers.

Clause 7.1.1(b) (iv) was amended and should read as follow:

(iv) Where properties are not connected to the water service or can reasonably be connected to the service an availability tariff will be payable. The tariff will be a portional calculation of the deemed fixed cost. *The Council will not levy an availability rate on any private road or any other property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.*

Clause 7.1.2(f) was amended and should read as follow:

- (f) Where properties are not connected to the electricity service but can reasonably be connected to the service, an availability tariff will be payable. The tariff will be a proportional calculation of the deemed fixed cost. *The Council will not levy an availability rate on any private road or any other property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.*

Clause 7.1.3(c) was amended and should read as follow:

- (c) Where properties can make use of a refuse removal service an availability tariff will be payable. The tariff will be a proportional calculation of the deemed fixed cost. *The Council will not levy an availability rate on any private road or any other property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.*

Clause 7.1.4(d) was amended and should read as follow:

- (d) Where properties are not connected to the sewerage service or can reasonably be connected to the service an availability tariff will be payable. This will be a proportional calculation of the deemed fixed cost. *The Council will not levy an availability rate on any private road or any other property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.*

Clause 7.2 was amended and should read as follow:

The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

- fines for lost or overdue library books
- advertising sign fees
- pound fees
- internal legal fees (75% of magistrates fees)
- electricity, water: disconnection and reconnection fees
- penalty and other charges imposed in terms of the approved policy on credit control and debt collection
- **penalty charges for the submission of dishonoured, ~~stale, post-dated or otherwise unacceptable cheques,~~ debit orders and direct deposits.**
- flea market stands
- traffic pound and storage charges
- traffic escort services
- parking fees

8. Asset Management Policy

Changes

- Sentence sequence are made.
- Numbering was change and corrected.

9. Supply Chain Management Policy

Changes:

10. SYSTEM OF DEMAND MANAGEMENT

- (3) All user departments are required to submit their draft procurement plans by ~~the end of February~~ middle March, for the following financial year to the Manager Supply Chain Management to improve planning and management of resources.
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