

## Rate Policy Changes

### **Section 4: The definition of “Accommodation Establishment” read as follows:**

“**Accommodation Establishment**” means a property used for the supply of overnight facilities to temporary guests at a fee.

### **Section 4: The definition of “Accommodation Establishment” was amended and to read as follows:**

“**Accommodation Establishment**” means a property used for the supply of overnight facilities to temporary guests at a fee. **This includes, but is not limited to: bed & breakfast establishments, guesthouses, hotels, self-catering accommodation and Airbnb accommodation.**

### **Section 4: The definition of “Agri-tourism” was included and should read as follows:**

***Agri-tourism: Tourism activities taking place on a working farm where the main activity is farming and tourism is a secondary by-product.***

### **Section 4: The definition of “bed & breakfast” was deleted:**

“**bed & breakfast**” in relation to *Accommodation Establishment* means an enterprise on a property for which the residential character is maintained and where the owner or operator permanently resides in the same dwelling and accommodation is limited to no more than 3 guest bedrooms.

### **Section 4: The definition of “Business property” read as follows:**

“**Business property**” means a property that is used for the purpose described as the activity of buying, selling or trade in goods, commodities or services and includes any office or other buildings on the same property, the use of which is incidental to such activity. This definition excludes the business of mining and agriculture activities.

### **Section 4: The definition of “Business property” was amended and should be read as follows:**

“**Business property**” means a property that is used for the purpose described as the activity of buying, selling or trade in goods, commodities or services and includes any office or other buildings on the same property, the use of which is incidental to such activity. This definition excludes the business of mining and agriculture activities. **Identified accommodation establishments providing 3 or more guest bedrooms will be assigned a business category and the business tariff will be levied accordingly, this might be for the property as a whole or on a multiple-purpose basis.**

**Section 4: The definition of “Guesthouse” was deleted:**

“**Guesthouse**” in relation to *Accommodation Establishment* means an enterprise on a property for which the residential character is maintained and where the owner or operator does not reside in the same dwelling and accommodation is limited between 4 and 16 guest bedrooms.

**Section 4: The definition of “residential purposes” read as follows:**

“**residential purposes**” in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.2 of this Policy and provided that:

- the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses, and vacant land; and
- to qualify, the predominant use of a property with not more than two dwelling units on said property, must be for this purpose; or
- to qualify, properties registered in terms of the Sectional Title Act, (Act 95 of 1986) must solely be used for this purpose; or
- to qualify, properties owned by a share-block company must solely be used for this purpose; or
- to qualify, the predominant use of a retirement scheme or life right scheme must be 60% or more for this purpose.

**Section 4: The definition of “residential purposes” was amended and should be read as follows:**

“**residential purposes**” in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.2 of this Policy and provided that:

- the following properties are specifically excluded from this definition: hostels, old age homes, **accommodation establishments providing 3 or more guest bedrooms** , and vacant land; and
- to qualify, the predominant use of a property with not more than two dwelling units on said property, must be for this purpose; or
- to qualify, properties registered in terms of the Sectional Title Act, (Act 95 of 1986) must solely be used for this purpose; or
- to qualify, properties owned by a share-block company must solely be used for this purpose; or
- to qualify, the predominant use of a retirement scheme or life right scheme must be 60% or more for this purpose.

**Section 7.2 was amended as follows:**

**Paragraph 1 read as follows:**

Properties with multiple uses as per Section 9 of the MPRA may be categorised for each distinct use as **determined by the Municipality** and which category will be applied for billing at the appropriate and applicable rate.

**Paragraph 1 was amended as follows:**

Properties with multiple uses as per Section 9 of the MPRA may be categorised for each distinct use as **listed in the valuation roll** and which category will be applied for billing at the appropriate and applicable rate.

**The following paragraphs were deleted:**

The first component, which will be determined by the largest apportioned area of the property will be the primary component. The category of the primary component will be guided in the first instance by the predominant use of the property, but at the sole discretion of the Municipality.

The other components (subcomponents) will be grouped according to the categorisation of said components.

**Section 7.6.2 (a) read as follows:**

(a) Where a property in a rural area is being used for business, mining, or industrial purposes, such as truck depots, construction yards, restaurants, functioning venue, guesthouses, and/or factories, said property will be valued and rated according to the category for business, mining, or industrial properties as applicable. The Municipality may however, consider valuating said property as a Multiple Use Property (refer to paragraph 7.2 of this Policy).

**Section 7.6.2 was amended as follows:**

(a) Where a property in a rural area is being used for business, mining, or industrial purposes, such as truck depots, construction yards, restaurants, functioning venue, guesthouses, and/or factories, said property will be valued and rated according to the category for business, mining, or industrial properties as applicable. The Municipality may however, consider valuating said property as a Multiple Use Property (refer to paragraph 7.2 of this Policy). **Where properties are used for business purposes, the Rural Area Business rebate may apply (refer to paragraph 8.7 of this Policy).**

**Section 7.7 was amended as follows:**

**Paragraph 1 read as follows:**

The Municipality may consider the application for a Special Rating Area provided that the owners of the predefined demarcated area have approved the budget and the specifics relating to such SRA. The process must adhere to Section 22 of the MPRA and to the **Municipality's Special Rating Area Policy** and By-law.

**Paragraph 1 was amended as follows:**

The Municipality may consider the application for a Special Rating Area provided that the owners of the predefined demarcated area have approved the budget and the specifics relating to such SRA. The process must adhere to Section 22 of the MPRA and to the **Municipality's Special Rates Policy** Policy and By-law.

**Section 8.2.1 (iii) (d) read as follows:**

(d) an application is submitted as per paragraph 13.1 of this Policy with proof of the date of birth.

**Section 8.2.1 (iii) (d) was amended as follows:**

d) an application is submitted as per paragraph 13.1 of this Policy with proof of the date of birth. **This application for 8.2.1 (iii) will only have to be performed once and the relief measure will stay in place until the property is transferred.**

**Section 8.5 read as follows:**

**8.5 Non-Profit Organizations (NPO)**

An organisation must be registered as a Non-Profit Organisation (NPO) under the Non-profit Organisations Act, (Act 71 of 1997) to be considered as a candidate for the relief measures described in this paragraph.

Organizations listed in paragraph 8.5.1 below that are operated as not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment, and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations being privately controlled must be the owner of said properties.

These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

All NPO must annually submit, according to paragraph 13.1 of this Policy proof of their status as per the above criteria and proof of income, which may include proof of a SARS assessment (this prerequisite does not apply to cemeteries / crematoria registered in the name of a religious organisation).

The Municipality, under its sole discretion, will assess and consider the ability of said organisations to pay for the applicable rates. The ability to pay rates may be determined from the audited financial statements submitted by said organisation on request by the Municipality.

On approval of the application, the abovementioned organisations which have a total revenue/income (as determined by the Municipality) not exceeding one million Rand per annum, will receive a 100% rebate. Conversely on approval, the abovementioned organisations which have a total revenue/income exceeding one million Rand per annum will only receive a 20% rebate.

**Section 8.5 was amended and should be read as follows:**

**8.5 Non-Profit Organizations (NPO)**

An organisation must be registered as a Non-Profit Organisation (NPO) under the Non-profit Organisations Act, (Act 71 of 1997) to be considered as a candidate for the relief measures described in this paragraph.

Organizations listed in paragraph 8.5.1 below that are operated as not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment, and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations being privately controlled must be the owner of said properties.

These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

All NPO must annually submit, according to paragraph 13.1 of this Policy proof of their status as per the above criteria (this prerequisite does not apply to cemeteries / crematoria registered in the name of a religious organisation). On approval, the abovementioned organisations will receive a 100% rebate.

**Section 8.7 read as follows:**

**8.7 Rural Areas Rebate**

The Municipality will consider relief measures for **owners** of properties in rural areas that have been zoned for agricultural purposes but have been categorised as per this Policy as Residential. This relief measure shall be known as the Rural Areas Rebate. Multi-purpose properties will be excluded from receiving this rebate. The Municipal Council will annually during the budget processes approve this rebates' discount percentage. If the Rural Areas Rebate applies to a property, the property or property owner will not be eligible for any other rebates as detailed in this policy.

**Section 8.7 was amended as follows:**

**8.7.1 Rural Areas Residential Rebate**

The Municipality will consider relief measures for **owners** of properties in rural areas that have been zoned for agricultural purposes but have been categorised as per this Policy as Residential. This relief measure shall be known as the Rural Areas **Residential** Rebate. Multi-purpose properties will be excluded from receiving this rebate. The Municipal Council will annually during the budget processes approve this rebates' discount percentage. If the Rural Areas Residential Rebate applies to a property, the property or property owner will not be eligible for any other rebates as detailed in this policy.

## **Section 8.7 was amended by the insertion of Section 8.7.2**

### **8.7.2 Rural Areas Business Rebate**

To promote Agri-tourism within the Theewaterskloof Municipal Area, the Municipality will consider relief measures for **owners** of properties in rural areas that have been zoned for agricultural purposes but have been categorised as per this Policy as Business properties. The valuation of the business property or business portion of the property (in the case of Multiple use properties) may not exceed R2 000 000. This relief measure shall be known as the Rural Areas Business Rebate. The Municipal Council will annually during the budget processes approve this rebates' discount percentage. If the Rural Areas Business Rebate applies to a property, the property or property owner will not be eligible for any other rebates as detailed in this policy except where the property is a multiple use property then the other usages may apply for any applicable rebates as per this Policy.

## **Section 12 (v) read as follows**

(v) Refunds will be allocated to arrear service debt of tenants and only the balance will be refunded.

## **Section 12 (v) was amended as follows:**

(v) Refunds will be allocated to arrear service debt of owners and their tenants and only the balance will be refunded (Refer to paragraph 1.7 of the Credit Control Policy "Owners will be held responsible for the unpaid municipal charges of the tenants. This places a direct administrative obligation on owners to ensure that their tenants pay their municipal services").

## **Section 12 (i) has been deleted**

(i) Refunds will not be processed until the services have been connected on the new owner's name and the new owner paid the requisite deposit.

## **Section 13.1 (c) read as follows:**

(c) Late applications received after 31 May of a given year may be considered by the Municipality, and approved by the Municipal Manager, in which case, if the relief measure applied for is granted, either a full or a *pro-rata* rebate for the remainder of the next (new) financial year may be applicable.

## **Section 13.1 (c) was amended as follows:**

(c) Late applications received after 31 May of a given year may be considered by the Municipality, and approved by the **Chief Financial Officer** in which case, if the relief

measure applied for is granted, either a full or a pro-rata rebate for the remainder of the next (new) financial year may be applicable.

## **Tariff Policy**

### **Section 3.7 was inserted and read as follow:**

- (g) A Sewerage tariff will be raised and is payable by all owners or occupiers of each developed property connected to the water and electricity distribution network of the council or any other service provider or those who have applied to be connected whether such owner or occupier uses the sewerage service or not or those who are not connected to the distribution networks to whom a sewerage service is rendered on request.

### **Section 11 was amended and should read as follow:**

#### **11. ADJUSTMENT OF ACCOUNTS**

Where incorrect debits were raised regarding service charges, the accounts under query will be rectified for the year in which the error was found or reported, and two preceding years *where applicable*. The Municipal Manager may extend the period of corrections in cases of incorrect debits due to administrative errors.

### **Section 13 was amended and should read as follow:**

#### **13. SERVICES DEPOSITS**

A consumer deposit will be required for every new service agreement. The deposit will be calculated as follow:

- to include the basic fees of sewerage and refuse to be charged on a monthly basis to this account for two (2) months
- in the case of conventional (Read) meters the expected consumption for water and/or electricity for two months
  - (i) Household (20 kl) electricity (500kwh)
  - (ii) Businesses as per comparable business or upon advice from Technical Services
- The deposit to be accepted as a general municipal services deposit and will not be service specific
- Cash and bank guarantees acceptable as service deposits.
- No service deposit will be required for indigent consumers.

## **Credit control & Debt collection Policy Changes**

**Chapter 1: Section 7 was inserted and should read as follow:**

### **7. Disputes**

- a) *Dispute refers to the instance when a debtor queries any specific amount on his or her debtors account claimed by Theewaterskloof Municipality from that person.*
- b) *any person who has a dispute with Theewaterskloof Municipality has a right, in terms of section 34 of the Constitution, to have a dispute that can be resolved by application of law decided in a fair public hearing or before a court or, where appropriate, by another independent or impartial tribunal or forum;*
- c) *where the dispute process has been implemented in terms of sub-item (1) (b), section 102 (2) of the Systems Act will be applicable;*
- d) *the CFO or delegated authority has a right to declare a dispute on any specific amount claimed by Theewaterskloof Municipality from any person as may be considered necessary; and*
- e) *disputes lodged with Theewaterskloof Municipality prior to the implementation of this policy, in terms of any previous policy, shall continue to be dealt with in terms of that policy.*

**Chapter 2: Section 2.1 was amended and should read as follow:**

- 2.1 The debtors system must correctly reflect all monies owed to the municipality. Furthermore, a well-managed debtors and banking control system must be implemented to ensure that funds owed to the municipality are correctly determined, received and banked. *The municipal account's total will be rounded up.*

**Chapter 2: Section 2.5 was amended and should read as follow:**

- 2.5 In Deceased Estates the following:  
The municipality reserves the right to terminate all services after death if the account fall into arrears or no new application for services is received.  
An account for services may be opened in the name of the occupant/tenant/beneficiary (the application for services needs to be accompanied by the registered owner's death certificate and affidavit of date of occupation)  
No indigent subsidy will be approved if owner is deceased, unless the tenants/occupants/*heir* qualify in terms of the Indigent Policy and acceptable arrangements is made.

## 2.5.1 Deceased

- (a) *It is the responsibility of the occupant(s) of a property to immediately submit a death certificate to the municipality in case of death of the registered owner of such a property.*
- (b) *Confirmation from the office of the master of the high court should be obtained to establish whether the deceased's death has been reported and whether an estate has been registered.*
- (c) *Should the new owner be an indigent in terms of the indigent policy, the total outstanding amount may be written off;*
- (d) *however, if the new tenant/owner does not qualify for as an indigent in terms of the indigent policy, the client shall be obligated to settle the outstanding amount from the date of death up to the current date or to arrange for a settlement agreement;*
  - i) an account to be opened in the name of the occupant;*
  - ii) debt that accumulated after the death of the owner, be transferred to the new account of the occupant and dealt with in accordance with Council's debt collection- and credit control policy;*
  - iii) that, where property is registered in more than one owners name, the account not be regarded as deceased until death certificates of all registered owners are in Council's possession;*
- (e) *Balances in arrears prior to the date of death should be registered as a claim against the estate of the deceased.*
- (f) *If no estate exists, balances in arrears prior to the date of death should be dealt with as follows:*
  - i) A new application for services must be completed.*
  - ii) The occupant must pay all outstanding debt regarding services and rates from the date stated on the death certificate.*
  - iii) If, however, the new owner (beneficiary / heir) is not in the position to settle the outstanding debt, the person can be assisted by undertaking an arrangement in accordance with the credit control and debt collection policy.*
- (g) *child headed families, where the parents are deceased and only unemployed minor children lives in the dwelling, the debt may be written off.*

**Chapter 2: Section 3.7 was inserted and read as follow:**

*3.7 All payments on arrangements must first be offset against the current account.*

**Chapter 2: Section 3.9 and 3.10 was deleted:**

~~3.9 — All payments by cheques should reflect the ID number, account number and telephone number of the drawer.~~

~~3.10 — Cashier must ensure that cheque amount correspond to digits and that the dates are correct, cheque signed and that no alterations are effected on the cheque.~~

**Chapter 2: Section 4.3 and 4.4 was amended and should read as follow:**

**4.3 Payment of consumption by contractor.**

*Contractors will be treated as a business as per this policy.*

~~4.4 — A Consumer may qualify for a percentage reduction on his/her account in the event of a water leakage, if:~~

- ~~a) the leakage was underground or under the foundation of the building and not easily detectable; and~~
- ~~b) the leakage was repaired within 48 hours after detection~~
- ~~e) the consumer submits a sworn affidavit by him/herself confirming that his/her insurance(s) does not cover such losses; and~~
- ~~d) a written confirmation from the consumer's insurance must also be submitted together with the sworn affidavit in which they confirm that the Insurance Policy of the consumer indeed does not cover any losses due to leakages; and~~
- ~~e) the consumer has not applied for discount within the previous 12 months;~~
- ~~f) an authentic certificate issued by a registered plumber must reach the Municipality within 10 days after completion of repairs done with respect to a water leakage and must contain the following:~~
  - ~~i) the date of the invoice and repair work as well as the receipt; confirmation that underground leakage was not visible; certify that the leakage originated from pipes listed of approved pipes held by Technical services~~
  - ~~ii) water lost due to the meter or pipes being stolen, defective irrigation, broken geyser, leaking toilet or leaking tap cannot be considered for write off;~~
  - ~~iii) council may only allow a write off, of 60% of the losses and to the maximum of R25,000.00~~

#### **4.4 Right of access to premises**

*The owner and/or occupier of a premise must give an authorised representative of the municipality access at all reasonable hours to the premises in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service. The owner accepts the cost of relocating a meter if satisfactory access is not possible.*

#### **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 or 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*

#### **4.6 Incentives for prompt payment**

*The municipality may, to encourage payment, and to reward good payers consider, from time to time, incentives for the payment of accounts. Incentive measures may be implemented as per Council resolution.*

**Chapter 2: Section 5.1.1 was amended and should read as follow:**

5.1.1 An age analysis must be printed on a regular basis. Any amounts outstanding over 30 days must be followed up immediately. Consumers must settle the account on or before the ~~25<sup>th</sup> of every month~~ *due date of the account.*

**Chapter 2: Section 5.1.7 was amended and should read as follow:**

5.1.7 The council may install ~~prepaid~~ *smart/utility* water and *prepaid* electricity meters at its discretion when debtors enter into agreement to pay off arrears.

**Chapter 2 : Section 5.1.11 (d) was inserted and read as follow:**

*(d) The Municipality has the right to transfer any property debt owed by a tenant to the owner's account of any property, in terms of sections 102 and 118(3) of the Systems Act.*

**Chapter 2 : Section 6.1.2 was amended and should read as follow:**

~~6.1.2 Household consumers with total earnings of less than R5 000 per month be given grace period until the last working day of the month to pay their monthly accounts.~~

Conditions:

- ~~• They must apply in writing on a prescribed form.~~
- ~~• If they fail to settle by the prescribed date, they will be disqualified.~~

*6.1.2 The CFO or his/her designate will have the authority to write back interest after due consideration of the merits of each case brought before him.*

**Chapter 2: Section 7.4 was amended and should read as follow:**

7.4 The following arrangements for the payment of accounts in arrears (for debt incurred before the policy) ~~should~~ *may* be considered.

**Chapter 2: Section 8.3 was amended and should read as follow:**

8.3 All current illegal connections will have five (5) working days to declare and legalise their connection from the date of the ~~implementation of this policy~~ *Notice.*

**Chapter 2 : From Section 9.2.1 to 9.3.2 was amended and should read as follow:**

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,

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

9.2.2 ~~However, within seven (7) calendar days~~ After each monthly due date for payment of municipal accounts for property rates and/or service charges, the municipal manager shall send out the letter of demand to every defaulting account holder. Every defaulting account holder who as at the date of the notice not paid the monthly account in full or has not made an acceptable arrangement with the municipal manager for partial or late payment, a notice stating that unless full payment is received or an acceptable arrangement made with the municipal manager for partial or late payment, the municipal water and electricity supply of the property to which the account in arrears relates, shall be terminated or restricted Fourteen (14) calendar days after the date of the notice for residential properties and 48 hours for businesses. Disconnections/restrictions will not be affected for residential properties on Friday to Sunday or any day on / before a Public Holiday. It shall be specifically recorded that the water connection for residential consumers shall not be disconnected, instead it will be restricted.

9.3 Restriction/discontinuance of service

9.3.1 Water and electricity services

9.3.1.1 Services will be restricted with immediate effect if payment arrangements are not adhered to. Alternative arrangements need to be in place. Should it be noted that consumption is registered after disconnection, the connection will be removed at the owners cost and will not be reinstated until such time the full outstanding cost is paid to the municipality including the additional service connection and consumer deposit required. There must be no political interference in the process being followed by the municipal manager in the collection of tariffs (Municipal Finance Management Act).

9.3.1.2 If the municipal manager is of the opinion that the restriction of water services, in the case of a particular property in respect of which the account is in arrears, is not in the best interest of the community – specifically because of the potential endangerment

of the life of any person, whether a resident in or outside the property is concerned – he/she may appropriately restrict rather than terminate the water and electricity services in question, provided that such restricted services shall not exceed 6 kl per month in the case of water.

9.3.1.3 If a debtor's account is in arrears for more than 30 days, water and electricity will be restricted (or disconnected where appropriate) to the minimum level (where appropriate) as approved by municipality in the budget for the year. It shall be specifically recorded that the water connection for residential consumers shall not be disconnected, instead it will be restricted.

*A disconnection fee will be charged to the account. Reconnection fee and increased deposit is payable before services are reinstated.*

#### 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.*

### **Chapter 2: Section 11 was amended and should read as follow:**

#### **11.Consumer deposits**

Deposits of defaulters may be adjusted or recalculated to cover at least two times the estimated consumption and basic fees for the services of water, electricity, refuse and sewerage. The minimum deposits required shall be approved with the tariff and charges annually. The deposits will be applied to defaulters and new owners.

*In cases of defaulting, in terms of payment of municipal services, deposits may be increased according to the approved tariffs. The municipality will not pay any interest on deposits and on the termination of the agreement the amount of the deposit less any outstanding amount due to the municipality will be refunded to the consumer.*

### **Chapter 2 : Section 12 was amended and should read as follow:**

#### **12. Other debtors**

Amounts due to the municipality for any other services rendered shall be due and payable when the service is rendered. Notwithstanding any disputes that may arise,

the outstanding amounts will bear interest and all amounts outstanding ~~after 90 days~~ shall be handed over for collection *in terms of the Credit and Debt Collection Policy*.

**Chapter 2 : Section 14 was amended and should read as follow:**

**14. Uncollectible arrears**

The effective implementation of the present policy also implies a realistic review of the municipality's debtors' book on an ongoing basis. The municipal manager should regularly report to the municipal council on irrecoverable arrears written off by the Municipal Manager in consultation with Executive Mayor and Director: Financial Services taking in account prescription and economic benefit of such write off. All debts ~~write~~ *written* off must be reported to Council at least quarterly ~~and approved by the municipality to effect such write-offs~~ *in terms of the Write-off Policy*.

## Indigent Policy Changes

**Chapter 2 Category 1 Section 1.1 to 1.8 was amended and should read 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 provided by the council (~~must be presented monthly to the Ward Councillor and quarterly to the Ward Committee~~). *Ward councillors 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
- 1.2 Only registered residential consumers of services delivered by council.
- 1.3 Households who formally apply for relief on the prescribed documentation and satisfy the qualifying criteria/principles determined by the council.
- 1.4 Household/occupants/residents/dependants who do not own more than one property.
- 1.5 Households who are not receiving significant benefits or regular monetary payments.

- 1.6 Beneficiaries of an immovable property and where the property is not yet transfer into the beneficiaries' name and who lives on the property.
- 1.7 Owners or lessees of property who reside on the premises. (Lessees must submit a lease contract.)
- 1.8 In cases where the owner/s of the house (eg. mother and father) have passed away and the occupant *is* children *and grandchildren* are indigent, they should *quality qualify* for the subsidy, provided that an affidavit is provided that they are the children/relatives and legitimate occupants of the house along with certified copies of the Death Certificate/s.

**Chapter 2 Category 2 Section 2.3 was deleted:**

~~2.3 The residential exclusion as per Property Rates Act 2004 (Act 6 of 2004) is applicable to property.~~

**Chapter 2 Category 2 Section 2.5 was amended and should read as follow:**

2.5 No application is required. *(Council will determine process from time to time).*

**Chapter 2 Section 2 was amended and should read as follow:**

**2. Basic services offered to the indigent**

2.1 Subject to funds being allocated and the relevant criteria being adhered to, indigent support is to be provided for the following services

- |       |                  |                                |
|-------|------------------|--------------------------------|
| 2.1.1 | sewerage         | <i>100%</i>                    |
| 2.1.2 | refuse           | <i>100%</i>                    |
| 2.1.3 | water            | <i>6kl usage and basic fee</i> |
| 2.1.4 | electricity; and | <i>70 kwh</i>                  |
| 2.1.5 | property rates.  | <i>Refer to Rates Policy</i>   |

**Chapter 2 Section 3 was amended and should read 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.

~~Indigent Households must inform Council of their status when it has changed.~~

~~The onus is on the indigents to ensure that they visit council's offices annually be end of their 12 months period of subsidy as to declare their indigence status, or to engage the Ward Committees / Ward Councillor to review the status.~~

~~Indigents receiving a grant for older persons must confirm existence status annually.~~

*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.

**Chapter 2 Section 4.5 was amended and should read as follow:**

4.5 Sewerage blockages may be effected **treated** free of charge at indigent households.

**Chapter 2 Section 4.7 was deleted. (double category 3):**

~~4.7 The qualification criteria for old age homes in order to receive indigent assistance on Water, Refuse and Sewerage services are as follows:~~

- ~~i) A 50% indigent assistance when more than 50% of the residence within an old age home receives less than twice the monthly grant for elderly persons; and~~
- ~~ii) A 40% indigent assistance when between 40% and 50% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and~~
- ~~iii) A 30% indigent assistance when between 30% and 40% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and~~
- ~~iv) A 20% indigent assistance when between 20% and 30% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and~~
- ~~v) A 10% indigent assistance when between 10% and 20% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and~~
- ~~vi) A 5% indigent assistance when between 0% and 10% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and~~
- ~~vii) An application on the prescribed form, fully completed with the required information and signed, must be provided.~~

**Chapter 2 Section 5.1 was amended and should read as follow:**

5.1 Relief will only be distributed to those residents who **apply and** qualify.

**Chapter 2 Section 5.5 was deleted.**

~~5.5 Relief will be applied for a period of 12(twelve) months from date of implementation or until such date as determined by the council.~~

**Chapter 2 Section 5.6 was deleted:**

~~5.6 The household must apply for continuation of the relief depending on his/her circumstances before the 12 month period of initial approval has lapsed. Notices to the renewal or continuation will be sent to the individual existing indigent two months before the date their indigent subsidy is due to lapse.~~

**Chapter 2 Section 6.2.2 was amended and should read as follow:**

6.2.2 proof of **latest** total household income (income as defined by SARS as well as pension grant)

**Chapter 2 Section 6.2.4 was amended and should read as follow:**

6.2.4 ~~certificate from bank~~ **latest 3 months bank statements** may be requested; and

**Chapter 2 Section 7.2 was amended and should read as follow:**

7.2 Applications to be approved by the ~~Town Manager~~ **Head Financial Operation or desinated** and presented to the Ward Councillor and Ward Committee for scrutiny **perusal**.

**Chapter 2 Section 7.4 was deleted:**

~~7.4 For the purposes of transparency, the following key information of the recipient of indigent support should be available on request from the Ward Councillor~~

~~7.4.1 names of households receiving relief for the prescribed period~~

~~7.4.2 stand number where services are rendered to the recipients~~

~~7.4.3 total household income; and~~

~~7.4.4 number of dependants residing on the property.~~

**Chapter 2 : Section 7.8 was inserted and read as follow:**

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.

**Chapter 2 : Section 6.4 was inserted and read as follow:**

Council reserve its rights to send inspectors to visit indigent households to audit the accuracy of the data in the application form, and to record any changes in circumstances, and make recommendations on the continuation or discontinuation of the subsidy

**Virement Policy**

**ADD**

**SECTION E**

(p) If there are changes to the regional segment in the application of a virement, then a virement may not be done but an adjustments budget is required, because Council allocates the project and funding to a specific region.

(q) A Project extending over/ incorporating more than one mSCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source