



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

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CUSTOMER CARE, CREDIT CONTROL, DEBT COLLECTION & INDIGENT SUPPORT POLICY

APPROVED/REVIEWED	COUNCIL MEETING DATE
Approved	31 May 2018

A city of excellence

P R E A M B L E

WHEREAS section 96 of the Local Government: Municipal Systems Act, No 32 of 2000, requires a municipality to adopt, maintain and implement a credit control-, debt collection, customer care and indigent support policy;

AND WHEREAS section 97 of the Systems Act prescribes what such policy must provide for;

NOW THEREFORE the Municipal Council of Drakenstein Municipality adopts a Customer Care, Credit Control, Debt Collection and Indigent Support Policy as set out in this document.

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1. DEFINITIONS

1.1 For the purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise:

1.1.1 **“Act”** The Local Government Act: Systems Act, No 32 of 2000 as amended from time to time.

1.1.2 **“Authorised representative”** means a person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.

1.1.3 **“Chief Financial Officer”** means the person appointed by Council to administer its finances.

1.1.4 **“Council”** means the Municipal Council of Drakenstein Municipality.

1.1.5 **“Customer”** means any occupier of any property to which the municipality has agreed to supply services or already supplies services to, or failing such an occupier, then the owner of the property.

1.1.6 **“Defaulter”** means a person who owes money to the municipality after the due date has expired.

1.1.7 **“Director”** means a person appointed by Council in terms of Section 56(a) of the Act as a manager directly accountable to the municipal manager.

1.1.8 **“Disconnection of electricity supply”** means the physical disconnection of conventional or pre-paid electricity supply or the 100% blocking of pre-paid electricity supply.

1.1.9 **“Disconnection of water supply”** means the restriction of the water supply via a trickle system.

1.1.10 **“Engineer”** means the person in charge of the civil and / or electrical component of the municipality.

1.1.11 **“Equipment”** means a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories.

1.1.12 **“Interest”** means a charge levied with the same legal priority as service fees and calculated at a rate determined by Council from time to time on arrear monies.

- 1.1.13 **“Late Payment”** means the amount due to be paid to the municipality does not reflect on municipal bank account on the applicable due date.
- 1.1.14 **“Municipality”** means the institution that is responsible for the collection of funds and the provision of services to the customers of Drakenstein.
- 1.1.15 **“Municipal account”** means an account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and / or assessment rates levies.
- 1.1.16 **“Municipal Manager”** means the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, No 117 of 1998, and include any person acting in that position or to whom authority was delegated.
- 1.1.17 **“Municipal services”** means those services provided by the Municipality, such as, *inter alia* the supply of water and electricity, refuse removal, sanitation treatment, and for which services charges are levied.
- 1.1.18 **“Occupier”** means any person who occupies any property or part thereof, without taking cognisance of the title in which he or she occupies the property.
- 1.1.19 **“Owner”** means:
- (a) The person in whose name the property is legally vested;
 - (b) In the case where the person in whose name the property is vested, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, or any other legal representative;
 - (c) In the case where Council are unable to establish the identity of such person, the person who are entitled to derive benefit from the property or any buildings thereon;
 - (d) In the case of a lease agreement in excess of 30 years was entered into, then the lessee;

- (e) Regarding:
 - (i) A portion of land allotted on a sectional title plan and which is registered in terms of the Sectional Title Act, No 95 van 1986, without limiting it to the developer or managing body to the communal property;
 - (ii) A portion as defined in the Sectional Title Act, the person in whose name that portion is registered in terms of a “sectional title”, including the legally appointed representative of such person;
- (f) Any legal entity including but not limited to:
 - (i) A company registered in terms of the Companies Act, No 61 of 1973; a trust *inter vivos*; a trust *mortis causa*; a closed corporation registered in terms of the Close Corporation Act, No 69 of 1984; and, any voluntary organisation;
 - (ii) Any provincial or national government department, and a local authority;
 - (iii) Any council or management body established in terms of any legal framework applicable to the Republic of South Africa; and
 - (iv) Any embassy or other foreign entity.

1.1.20 **“Property”** any portion of land, of which the boundaries are determined, within the jurisdiction of the Municipality.

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

2. GENERAL OBJECTIVES

2.1.1 The objectives of this policy are:

- (a) To provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection;
- (b) To ensure that all monies due and payable to the Municipality are collected and used to deliver services in the best interests of the community; residents and consumers; and, in a financially sustainable manner;
- (c) To provide a framework for customer care;

- (d) To describe credit control measures and sequence of events;
- (e) To outline debt collection procedures and mechanisms;
- (f) To determine indigent relief measures; and
- (g) To set realistic targets for debt collection.

3. PRINCIPLES

- 3.1 The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- 3.2 All customers must complete an official application form, formally requesting the Municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.
- 3.3 A copy of the application form, conditions of services and extracts of the relevant council's Customer Care, Credit Control, Debt Collection and Indigent Support Policy and by-laws must be handed to every customer on request at such fees as may be determined by Council from time to time.
- 3.4 Billing is to be accurate, timeously and understandable.
- 3.5 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 3.6 The customer is entitled to an efficient, effective and reasonable response to appeals.
- 3.7 Enforcement of payment must be prompt, consistent and effective.
- 3.8 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- 3.9 Incentives and disincentives determined by Council from time to time may be used in collection procedures.
- 3.10 The collection process must be cost-effective.

- 3.11 Results will be regularly and efficiently reported by the Executive Mayor and Mayoral Committee to Council.
- 3.12 Application forms will be used to, *inter alia*, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- 3.13 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- 3.14 The principle of paying for services instead of payment for arrear accounts is supported.
- 3.15 Consumers that meet Council's indigent criteria must be identified and supported.

4. DUTIES AND FUNCTIONS

4.1. Duties and functions of Council

- 4.1.1. To approve a budget consistent with the needs of communities, ratepayers and residents.
- 4.1.2. To impose rates and taxes and to determine service charges, fees and penalties to finance the budget.
- 4.1.3. To facilitate sufficient funds to give access to basic services for the poor.
- 4.1.4. To provide for bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the Municipality.
- 4.1.5. To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Implementing Authority. Section 100 of the Act defines the Implementing Authority as the Municipal Manager or service provider appointed by the Municipality collect outstanding debt.
- 4.1.6. To approve a reporting framework for customer care, credit control and debt collection.
- 4.1.7. To consider and approve by-laws to give effect to this policy.

- 4.1.8. To monitor the performance of the Municipal Manager via the Executive Mayor and Mayoral Committee (Supervising Authority) regarding customer care, credit control, debt collection and indigent support.
- 4.1.9. To revise the budget should the targets for Council's customer care, credit control, debt collection and indigent support not be met.
- 4.1.10. To revise the budget should the targets for Council's customer care, credit control, debt collection and indigent support not be met.
- 4.1.11. To take disciplinary and / or legal action against councillors, officials and agents who do not execute Council policies and by-laws or act improperly in terms of such policies.
- 4.1.12. To approve a list of attorneys that will act for Council in all legal matters relating to debt collection.
- 4.1.13. To delegate the required authority to monitor and execute the customer care, credit control, debt collection and indigent support policy to the Executive Mayor and Mayoral Committee, Municipal Manager and Service Provider (if required) respectively.
- 4.1.14. To provide sufficient capacity in the Municipality's Directorate: Financial Services to execute customer care, credit control, debt collection and indigent support actions. Alternatively, if required as such, to appoint a Service Provider or debt collection agent to perform these actions.
- 4.1.15. To assist the Municipal Manager in the execution of his duties, if and when required.
- 4.1.16. To provide funds for the training of staff.

4.2 Duties and functions of Executive Mayor and Mayoral Committee

- 4.2.1 To ensure that Council's budget, cash flow and targets for debt collection are met and executed in terms of the policy and relevant by-laws.
- 4.2.2 To monitor the performance of the Municipal Manager in implementing this policy and by-laws.

4.2.3 To review and evaluate the policy and by-laws in order to improve the efficiency of Council's customer care, credit control, debt collection and indigent support procedures, mechanisms and processes.

4.2.4 To report to Council.

4.3 Duties and functions of the Municipal Manager

4.3.1 To implement good customer care management systems.

4.3.2 To implement council's Customer Care, Credit Control, Debt Collection and Indigent Support Policy.

4.3.3 To install and maintain an appropriate accounting system.

4.3.4 To provide credible billing to customers.

4.3.5 To demand payment on due dates.

4.3.6 To raise penalties / interest for defaults.

4.3.7 To appropriate payments received.

4.3.8 To collect outstanding debt through a debt collection management system.

4.3.9 To provide different payment methods.

4.3.10 To determine customer care, credit control, debt collection and indigent support measures.

4.3.11 To determine all relevant work procedures for, *inter alia*, public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.

4.3.12 To instruct attorneys to proceed with the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders, etc.).

4.3.13 To set performance targets for staff.

4.3.14 To appoint staff to execute Council's policy and by-laws in accordance with Council's recruitment policy.

- 4.3.15 To delegate certain functions to directors in charge of directorates.
- 4.3.16 To determine control procedures.
- 4.3.17 To monitor contracts with Service Providers in connection with credit control and debt collection.
- 4.3.18 To report to the Executive Mayor and Mayoral Committee.
- 4.3.19 To adhere to the Code of Conduct for Officials.
- 4.3.20 To confirm any payment of judgment amounts (or a delegated official) for matters instituted by the court of law.
- 4.4. Duties and functions of communities, ratepayers and residents
 - 4.4.1. To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
 - 4.4.2. To pay service fees, rates on property and other taxes, levies and duties imposed by the Municipality on or before due date.
 - 4.4.3. To observe the mechanisms and processes of the Municipality in exercising their rights.
 - 4.4.4. To allow municipal officials reasonable access to their property to execute municipal functions.
 - 4.4.5. To comply with the by-laws and other legislation of the Municipality.
 - 4.4.6. To refrain from tampering with municipal services and property.
- 4.5. Duties and functions of councillors
 - 4.5.1. To hold regular ward meetings (Ward Councillors).
 - 4.5.2. To adhere to and convey council policies to residents and ratepayers.
 - 4.5.3. To adhere to the Code of Conduct for Councillors.

5. PERFORMANCE EVALUATION (Annexure “A”)

5.1 The Municipality must establish a mechanism to set targets for debt collection, customer care and administrative performance, evaluate and take corrective actions on a regular basis to enhance credit control and debt collection.

5.2 Revenue collection targets

5.2.1 Council to create targets that include the reduction in present monthly increase in debt in line with performance agreements determined by Council.

5.3 Customer service targets

5.3.1 Council to create targets that would include:

- (a) Response time to customer queries;
- (b) Date of first account delivery to new customers;
- (c) Reconnection time lapse; and
- (d) Meter reading cycle.

5.3.2 Above-mentioned to be reflected in Standard Operating Procedures of Council.

5.4 Administrative performance

5.4.1 Council to create targets that will include:

- (a) Cost efficiency of debt collection;
- (b) Query and appeal periods; and
- (c) Enforcement mechanism ratios.

6. REPORTING

6.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor and Mayoral Committee as Supervisory Authority in terms of section 99 of the Systems Act, read with section 100(c). This report shall contain particulars on:

6.1.1 Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions; and

6.1.2 Performance of all areas against targets agreed to in paragraph 5 of this policy document.

6.2 If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt revenue equivalent of the revenue projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he / she agrees with the Chief Financial Officer, within legislative prescripts, immediately move for a revision of the budget according to realistically realisable income levels.

6.3 The Executive Mayor and Mayoral Committee as Supervisory Authority shall, at least at intervals of 3 months, report to Council as contemplated in section 99(c) of the Systems Act.

7. CUSTOMER CARE POLICY

7.1 Objective

7.1.1 To focus on the client's need in a responsible and pro-active way, to enhance the payment for services and to create a positive and co-operative relationship between the persons responsible for the payment for services received and the Municipality, and where applicable, any service provider.

7.2 Communication

7.2.1 The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include targets for credit control.

7.2.2 Council's Customer Care, Credit Control, Debt Collection and Indigent Support Policy or relevant extracts thereof, will be available in English (Xhosa and Afrikaans on request) and will be made available by general publication and on specific request, and will also be available for perusal at Council's offices.

7.2.3 Council will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt issues, in a cost effective manner.

7.2.4 Ward councillors will be required to hold regular ward meetings, at which customer care and debt collection issues will be given prominence.

7.2.5 The press will be encouraged to give prominence to Council's Customer Care, Credit Control, Debt Collection and Indigent Support Policy, and will be invited to Council or Committee meetings where these are discussed.

7.2.6 Council will endeavour to create partnerships with civil society organisations in promoting customer care, credit control, debt collection and indigent support issues.

7.3 Metering

7.3.1 The Municipality will endeavour, within practical and financial limits, to provide meters to every paying client for all consuming services.

7.3.2 All meters will be read monthly, if at all possible. If meters are not read on a monthly basis, Council will estimate the consumption in terms of Council's operational procedures.

7.3.3 Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.

7.3.4 Customers may be informed of a meter replacement.

7.3.5 If 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 or its authorised agent, and the customer is charged for estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

7.4 Accounts and billing

7.4.1 Customers on the billing system will receive an understandable and accurate bill from the Municipality, which bill will consolidate all service costs for that property.

7.4.2 Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.

7.4.3 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.

7.4.4 It is the customer's responsibility to ensure that postal address and other contact details are correct.

- 7.4.5 It is the customer's responsibility to ensure timeous payment in the event of accounts not received.
- 7.4.6 Settlement or due dates will be as indicated on the statement.
- 7.4.7 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.
- 7.4.8 Where any payment made to the Municipality or its authorised representative by negotiable instrument is later dishonoured by a bank, the municipality or its authorised agent:
- (a) May recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer; and
 - (b) Shall regard such an event as a default on payment.
- 7.4.9 The Municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request, at a cost determined by Council from time to time.
- 7.4.10 The Municipality will no longer open water and electricity accounts for tenants as from 01 July 2016. All new water and electricity connections after 1 July 2016 shall be levied on the owner's accounts. The existing tenant accounts will thus be phased out as tenants are moving out. Deposits for water and electricity are paid by the owners, in the case where there are still tenant's accounts and owners do not apply for the water and electricity, the Municipality will have the discretion to raise a deposit and transfer all levies from the date of registration to the owners account.
- 7.4.11 The only exception to paragraph 7.4.10 will be in cases where a qualifying indigent tenant applies for a water and electricity connection in order to be registered as an indigent consumer.

7.5 Payment facilities and methods

- 7.5.1 The Municipality will operate and maintain suitable payment facilities (internet payment facilities included), and which facilities will be accessible to all users.
- 7.5.2 The Municipality will at its discretion allocate a payment between service debts and a debtor, who has overdue debt, may not specify that the payment is for a specific portion of the account.

7.5.3 The Municipality may in terms of section 103 of the Systems Act, with the consent of a customer, approach an employer to secure a debit or stop order arrangement.

7.5.4 The customer will acknowledge, in the customer's agreement that the use of customer agents in the transmission of payments to the municipality is at the risk of the customer – also for the transfer time of the payment.

7.6 Incentives for prompt payment and final settlements

7.6.1 Council may, to encourage prompt payment and / or to reward regular payers, consider from time to time incentives for the prompt payment of accounts or payment by debit or stop order.

7.6.2 Such incentive schemes, if introduced, will be reflected in annual budgets as additional expenditure.

7.6.3 The Chief Financial Officer may accept full and final settlement offers arising from a dispute, where the last 12 months surcharges and interest may be waived after full payment of the capital amount has been made upon resolving the dispute.

7.6.4 The Chief Financial Officer may reverse interest and surcharges levied for a late payment, where a consumer was promptly paying an account for the last 12 months prior to the late payment.

7.7 Enquiries, appeals and service complaints

7.7.1 Within its administration and financial ability the Municipality will establish:

- (a) A central complaints / feedback office;
- (b) A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
- (c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
- (d) A communication mechanism to give council feedback on service, debt and other issues of concern.

7.7.2 If a customer is convinced that his or her account is inaccurate, he or she can lodge a query with the Municipality for investigation of this account, and where necessary the relevant alterations.

- 7.7.3 In the interim the debtor must pay the average of the last three months accounts where such history of the account is available. Where no such history is available, the debtor is to pay an estimate provided by the Municipality before payment due date until the matter is resolved.
- 7.7.4 The relevant department will investigate and inform the debtor within 60 days or as determined by the City Manager from time to time.
- 7.7.5 Failure to make the payment(s) mentioned in paragraph 7.7.3 above, will result in the Municipality collecting the balance outstanding on the customers' account using the ~~forming part of the~~ normal credit control procedures as detailed in paragraph 8 here-under.
- 7.7.6 A customer or its authorised agent may appeal against the findings of the Municipality in terms of paragraph 7.7.2.
- 7.7.7 An appeal and request in terms of paragraph 7.7.6 must be made and lodged with the municipality within 21 (twenty-one) days after the customer became aware of the finding referred to in paragraph 7.7.4 and must:
- (a) Set out the reasons for the appeal; and
 - (b) Be accompanied by any fee determined for the testing of a measuring device, if applicable.
- 7.8 Customer assistance programmes
- 7.8.1 Water Leakages
- (a) If the leakage is on the customer's side of the meter, the customer will be responsible for the payment of all water supplied to the property.
 - (b) Where the consumer can provide an invoice and proof of payment from the service provider (e.g. Plumber) that repaired the leakage, the municipality may at its sole discretion provide relief based on a calculation to be done on the corresponding months of the previous' years consumption to determine the water lost due to the leak.
 - (c) A consumers to provide a sworn affidavits with proof of purchase of material used to repair a leakage. A consumer (indigents included) whom has repaired the leak themselves must provide Council with a sworn affidavit that the consumer fixed the leak themselves.

- (d) The calculated consumption will be deducted from the higher leakage amount, where after the balance will be payable by the consumer.
- (e) Should the leakage be for more than a year or two years, then the consumption will be monitored for 3 months after the leakage has been repaired, where after the account will be rectified as per above sub-paragraph (d).
- (f) Where there is an abnormal water consumption that cannot be substantiated after the meter test results are obtained, the Executive Manager: Infrastructure or his delegated official must furnish the Chief Financial Officer with a recommendation in terms of reducing the consumption in line with the consumer's average consumption for the previous 12 months.
- (g) The customer has the responsibility to control and monitor his / her water consumption, including where control devices are in use flow.

7.8.2 Property rate rebates

- (a) Properties used exclusively for residential purposes may qualify for a rebated rate determined annually by Council.
- (b) A rate rebate may be granted according to certain qualifying criteria to social pensioners or the receiver of a State disability grant and / or any category of customer, as determined by Council from time to time.
- (c) These rebates will be determined as per Council's Property Rates Policy.

7.8.3 Arrangements for default settlements (Annexure "B")

- (a) Customers with electricity and water arrears shall be converted to pre-paid meters. When such meters are installed the cost thereof and the arrears total will be paid off either by:
 - (i) Adding the debt to the arrears bill and repaying it over the agreed period;
or
 - (ii) Adding the debt as a surcharge to the prepaid electricity or water cost, and repaying it with each purchase of electricity and water until the debt is liquidated (Refer to paragraph 8.9 of this policy for percentages).

- (b) In the case of households qualifying for indigent support, the conversion costs to a prepayment meter will be funded through that portion of the equitable share contribution to the Municipality made from the national government's fiscus and as provided for in the budget.
- (c) Council reserves the right to raise the deposit requirement of debtors who seek arrangements.

7.8.4 Rates by instalments

- (a) Payment arrangements are determined as per Council's Property Rates Policy.

7.8.5 Indigent support (Annexures "C", "D" and "E")

- (a) The purpose of the indigent support is to provide funding for a basic level of services to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria as determined by Council from time to time.
- (b) The source of funding of the indigent support is that portion of the equitable share contribution to the Municipality made from the national government's fiscus and as provided for in the budget. As such, the subsidy can only be credited to qualifying customers' accounts until the amount received by the Municipality from National Government for this purpose has been exhausted, whereupon no further credits will be made, or the level of the credits reduced, until further national funds are received.
- (c) Subsidised services may include sewerage, refuse removal, assessment rates, housing rental levies and consumption service charges.
- (d) If a consumer's consumption or use of the municipal service is less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- (e) If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rates.
- (f) All consumers who qualify for an equitable share subsidy will be placed on restricted service levels in order to limit further escalation of debt.
- (g) Where applicable, these consumers may be exonerated from a portion of their arrear debt.

- (h) Where a qualifying customer's account is paid in full at the date of application, or regularly maintains a paid up account after receiving the subsidy, the restriction on service levels will be waived.
- (i) An indigent customer must immediately request de-registration by the municipality or its authorised agent if his / her circumstances have changed to the extent that he / she no longer meets the criteria.
- (j) An indigent customer may at any time request de-registration.
- (k) A list of indigent customers will be maintained and may be made available to the general public.

7.8.6 Additional subsidy categories

- (a) Council may provide, free of charge to a customer, certain basic levels of water and electricity, as determined from time to time.
- (b) Council may provide grants in lieu of rates to certain categories of owners of domestic properties to alleviate poverty.
- (c) Rebates may be granted to sporting bodies for consumption but tariffs would at least cover the cost of the service.
- (d) Rebates may be granted to large customers to attract business to Drakenstein that would benefit the community of Drakenstein.

7.8.7 Customer categories

- (a) Customers will be categorised according to specific classifications based on inter alia the type of entity and applicable tariffs and risk levels. Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

7.9 Priority customer management

- (a) Certain customers will be classified as priority customers based on criteria determined by the Municipal Manager from time to time, such as the number of properties owned or volume of consumption.
- (b) A Priority Customer Liaison Officer or person nominated by the Municipal Manager will be responsible for the ongoing management of the customers so classified and will perform tasks such as the review of monthly accounts to ensure accuracy, the monitoring of prompt settlement of accounts and response to queries.

8 CREDIT CONTROL POLICY

8.1 Objective

8.1.1 To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt.

8.1.2 To facilitate financial assistance and basic services for the community's poor and provide incentives for prompt payment as well as ensuring limited risk levels by means of effective management tools.

8.2 Service application and agreements (Annexure "F")

8.2.1 All customers of services will be required to sign an agreement governing the supply and cost of municipal services (Annexure "F" or similar agreement).

8.2.2 Prior to signing these agreements, customers will be entitled to receive the policy document of the Council on request at a cost determined by Council.

8.2.3 On the signing of the agreement, customers will receive a copy of the agreement for their records.

8.2.4 Customers are responsible for costs of collection on a scale as determined between attorney and client, and interest in the event of delayed and / or non-payment. The interest will be charged at the prevailing prime interest rate.

8.2.5 Existing customers of services will be required to sign new agreements as determined by the Municipal Manager from time to time. This will particularly be in the case of defaulters.

8.3 Right of access to premises

8.3.1 The owner and or occupier of property is to allow an authorised representative of the Municipality access at all reasonable hours to the property 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.

8.3.2 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

8.3.3 If a person fails to comply with the Municipality or its authorised representative, the Municipality may:

- (a) By written notice require such person to restore access at his / her own expense within a specified period;
- (b) If it is the opinion that the situation is a matter of urgency, without prior notice access the premises of such person in order to disconnect or repair any such meter or service connection provided that damage to the property of such person is minimised, minimum force is used and after the Municipality has gained such access that the premises of such person is secured; and
- (c) The cost of gaining such access shall be for the account of the owner of the premises if the reason for the urgency is that of the owner or occupier of the premises.

8.4 Enforcement mechanisms

8.4.1 Interest will be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.

8.4.2 Provided that the Municipality has served written notice on both the owners and occupiers (if applicable) of the property of at least seven (7) days, the Municipality shall have the right to restrict or discontinue the supply of services or to implement any other debt collection action necessary due to late or non-payment of accounts, relating to any consumer, owner or property.

8.5 Theft and fraud

8.5.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorised act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and / or is liable for penalties as determined by Council from time to time.

8.5.2 Any member of the local community that supply information with regard to any of the illegal actions as set out in paragraph 8.5.1, and the information when verified found to be true, will upon authorisation by the Municipal Manager be rewarded as determined by Council from time to time. The name of the informant and the information supplied will at all times be kept confidentially so as to protect the informant against any retaliatory action.

- 8.5.3 Upon reasonable notice to both the owner as well as the occupier of the premises, Council will immediately terminate the supply of services to a customer should such conduct as outlined above, be detected.
- 8.5.4 The total bill owing, including penalties, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council, if applicable, will be due and payable before any reconnection can be sanctioned.
- 8.5.5 Council will maintain monitoring systems in order to identify customers who are undertaking such illegal actions.
- 8.5.6 No person may in any manner tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality.
- 8.5.7 Where prima facie evidence exists of a consumer and/or any person having contravened paragraph 8.5.6, the municipality shall have the right to disconnect the supply of electricity upon reasonable notice to both the owner as well as the occupier of the premises. The person shall be liable for all fees and charges levied by the municipality for such disconnection and subsequent reconnection.
- 8.5.8 Where a consumer and / or any person has contravened subsection (d) and such contravention has resulted in the meter recording less than the true consumption, the municipality shall have the right to recover from the consumer the cost of the estimated consumption, that was lost for three preceding years, based on the prevailing tariff in the year that the unauthorized consumption was identified.
- 8.5.9 Where a consumers meter does not switch off when all the units are consumed, then the municipality shall have the right to recover from the consumer the estimated consumption that was lost for three preceding years, based on the prevailing tariff in the year the unauthorized consumption was identified.
- 8.5.10 Council reserves the right to lay criminal charges and / or to take any other legal action against both vandals and thieves, including the recovery of costs of repairing / replacing of damaged devices.
- 8.5.11 Any person failing to provide information or providing false information to the municipality may face immediate disconnection and / or legal action.

8.6 Customer screening and securities

- 8.6.1 All applicants for municipal services may be checked for credit-worthiness including checking information from banks, credit bureaus, other local authorities, trade creditors and employers.
- 8.6.2 Deposits either in cash or any other security acceptable to the Municipality will be required, and may vary according to the risk as determined by the Municipality. A minimum deposit of the equivalent of two months average consumption will be required.
- 8.6.3 Deposits can be increased by the municipality at any time and at the sole discretion of the Municipality to a maximum of three months average consumption.
- 8.6.4 Deposits can vary according to the credit-worthiness or legal category of the applicant.
- 8.6.5 The Municipality will not pay any interest on deposits.
- 8.6.6 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.

8.7 Persons and business who tender to the Municipality

- 8.7.1 The Supply Chain Management Policy and Tender Conditions of the Municipalities will include the following:
- (a) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer and / or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears;
 - (b) No tender will be allocated to a person / contractor until a suitable arrangement for the repayment of arrears, has been made. No further debt may accrue during contract period; and
 - (c) A condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments.

8.8 Cost of collection

8.8.1 All costs of legal processes, including interest, penalties, service discontinuation costs and legal costs on attorney and client scale associated with customer care or credit control, wherever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

8.9 The pre-payment meter system

8.9.1 The Municipality will use its pre-payment system to:

- (a) Link the provision of electricity and water by the Municipality to a “pre-payment” system comprising, first, a pre-payment of electricity kWh and water kiloliters; and
- (b) A payment in respect of arrears comprising a “package” of accrued municipal taxes and other municipal levies, tariffs and duties in respect of services such as water, refuse removal, sanitation and sewage.

8.9.2 A customer with arrears incurred since the January 2013 billing run who opts for the pre-payment system, will be required to repay all arrears in full before any amount is allocated to an electricity pre-payment, or, if the amount outstanding is large and / or the customer’s ability to pay is limited (because of low income, cash flow problems etc), to pay the arrears by allocating a percentage of all monies offered for purchases towards the arrears, as set out below, before any electricity credit is given:

- (a) 30 days and older = 50%;
- (b) 60 days and older = 60%;
- (c) 90 days and older = 70%; and
- (d) 120 days and older = 80%.

8.9.3 In cases where the 80% blocking methodology is not adequate to decrease the outstanding debt, the pre-paid metering system shall on reasonable notice to both the owner and the occupier be blocked at 100% or the electricity supply shall be disconnected.

9. DEBT COLLECTION POLICY

9.1 Objective

9.1.1 To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and annual levies, in order to ensure

financial sustainability and delivery of municipal services in the interest of the community.

9.2 Personal contact

9.2.1 Telephonic contact, agents calling on clients:

- (a) Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigent support, other related matters and will provide information on how and where to access such arrangements or subsidies; and
- (b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue, in the absence of such contact for whatever reason, provided that reasonable notice has been given to both the occupier and the owner of the concerned premises.

9.3 Interruption of service

9.3.1 Customers who are in arrears with their municipal account and who have not made arrangements with the Council will have their supply of electricity suspended or disconnected, provided that reasonable notice has been given to both the occupier and the owner of the concerned premises.

9.3.2 The disconnection of electricity services may happen when the municipal account is one (1) day overdue, provided that reasonable notice has been given to both the occupier and the owner of the concerned premises.

9.3.3 A fourteen (14) day disconnection notice will be issued for the first default. If a consumer defaults again in the following month, then a seven (7) day disconnection notice will apply.

9.3.4 Provided that Council has demanded payment of arrear rates and other municipal charges, Council reserves the right to deny or restrict the sale of electricity to customers who are in arrears with their rates or other municipal charges.

9.3.5 Upon the liquidation of arrears, or the conclusion of acceptable arrangements for term payment, the electricity service will be reconnected and / pre-paid electricity sold as soon as conveniently possible.

9.3.6 The cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.

9.3.7 The deposit of any defaulter may be adjusted to bring into line with relevant policies.

9.4 Legal process / Use of attorneys / Use of credit bureaus

9.4.1 Council may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and / or sales in execution of property.

9.4.2 Council will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from outside parties, be they attorneys or any other collection agents appointed by Council.

9.4.3 Council will establish procedures and codes of conduct with these outside parties.

9.4.4 Garnishee orders, in the case of employed debtors, are preferred to sales in execution, but both are part of Council's system of debt collection procedures.

9.4.5 All steps in the customer care and credit control procedure will be recorded for Council's records and for the information of the debtor.

9.4.6 All recoverable costs of this process will be for the account of the debtor.

9.4.7 Individual debtor accounts are protected and are not the subject of public information. However Council may release debtor information to credit bureaus. This release will be in writing or by electronic means.

9.4.8 Council may consider the cost effectiveness of the legal process, and will receive reports on relevant matters, including cost effectiveness.

9.4.9 Council may consider the use of agents as service providers and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers; and will be closely monitored by Council.

9.4.10 Customers will be informed of the powers and duties of such agents or service providers and their responsibilities including their responsibility to observe agreed codes of conduct.

9.4.11 Any agreement concluded with an agent, service provider or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute a breach of the contract.

9.5 Rates clearance

9.5.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates and service charges owed by the owner seeking transfer are paid by withholding a rates clearance certificate as contemplated in section 118 of the Act.

9.5.2 The amount for the period prior to section 118 of the Municipal Systems Act, will be handed over for legal collection where the new and previous owner could be held liable for payment of these amounts.

9.6 Abandonment of claims

9.6.1 The Municipal Manager must ensure that all avenues are utilised to collect the municipality's debt.

9.6.2 There are some circumstances that allow for the valid termination of debt collection procedures as contemplated in section 109(2) of the Act, such as:

- (a) The insolvency of the debtor, whose estate has insufficient funds;
- (b) A balance being too small to recover, for economic reasons, considering the cost of recovery; and
- (c) Where Council deems that a customer or groups of customers are unable to pay for services rendered.

9.6.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

9.6.4 Procedures for the abandonment of claims are determined in the Writing-Off of Irrecoverable Debt Policy.

10. MUNICIPAL EMPLOYEES AND COUNCILLOR DEBT

10.1 Staff arrears will be dealt with in accordance with Schedule 2 of the Systems Act, and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms

of this Policy, the Municipality shall deduct any outstanding amount from such staff members' salary after this three (3) month period.

- 10.2 In accordance with Schedule 1, item 12A of the Systems Act, a Councillor of the Municipality may not be more than 3 (three) months in arrears for municipal service fees, surcharges on fees, rates or any other municipal taxes, levies and duties levied by the Municipality. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such Councillor's remuneration after this three (3) month period.

11. ANNEXURE A: REVENUE COLLECTION TARGETS

1. Computerised credit control and debt collection management system

- 1.1 It is Council's intention to collect all revenue due to Council from customers who can afford to pay.
- 1.2 For this purpose it is acknowledged that the Municipality is in need of a computerised credit control and debt collection management system.
- 1.3 This system will be procured through the supply chain management process or alternatively the Municipal Manager may obtain the services of an external service provider to perform this function.

2. Payment level on current accounts

- 2.1 The total outstanding debtors as at 31 January 2018 amounted to R273, 513,206 of which R128, 721,644 represented current debtors (January **2018** billing run levies) and R144, 791,562 represented arrear debtors.
- 2.2 It is acknowledged that the current payment level of all customers for the first six months of the 2017/2018 financial year was 101.63%.
- 2.3 It is Council's intention to increase the payment level by 0.2% every 3 months until a 100% payment level of all customers who can afford to pay has been reached.

3. Recovery of arrears (Accumulated before the January 2018 billing run)

- 3.1 The Municipal Council reviewed on 31 May 2018 the Policy on the Writing-Off of Irrecoverable Debt with the following two incentives to their customer base to assist them to get out of their spiral of debt provided that all levies since the January 2018 billing run is paid up to date:
 - (a) Council will write-off 50% of the outstanding debt before the January 2018 billing run if a customer (all customers except for government or school debtors who are treated on an ad hoc basis) will pay the other 50% of the outstanding debt; and
 - (b) Council will write-off any outstanding debt before the January 2018 billing run that a household customer accrued that the household customer cannot afford to pay back over the next three years after his arrear and current payments has been capped at 20% of the household income.

3.2 To collect with the assistance of a computerised credit control and debt collection management system or an appointed service provider, all recoverable arrears over a maximum period of three years by using the incentives in the Writing-Off of Irrecoverable Debt Policy. Irrecoverable arrears (estimated between 40% and 60% of the arrear debtors’ book) will have to be written-off.

3.3 To achieve this goal the level of recovery of recoverable arrears (writing-off incentives included) should be:

- (a) Within 6 months = 20%;
- (b) 7 to 12 months = 20%;
- (c) 13 to 18 months = 20%;
- (d) 19 to 24 months = 20%; and
- (e) 25 to 36 months = 20%.

3.4 The Senior Manager: Revenue and Expenditure or delegated person can in extreme cases accept a longer period of repayment based on the financial position of the customer and other circumstances if the incentives in the Writing-Off of Irrecoverable Debt Policy do not assist the customer to get out of their spiral of debt within three years.

4. Recovery of arrears (Accumulated after the 2018 billing run)

4.1 It is acknowledged that not all customers might have been in arrears before the January 2018 billing run. Customers who accumulated arrears as from the January 2018 billing run will be recovered over a maximum period of one year.

4.2 To achieve this goal the level of recovery should be:

- (a) Within 6 months = 50%;
- (b) 7 to 9 months = 30%; and
- (c) 10 to 12 months = 20%.

5. Customer service targets

(a)	Response time to customer queries:	Initial response within 5 working days
(b)	Date of first account delivery to new customers:	By second billing cycle after date of application or occupation whichever is the latest

(c)	Reconnection time:	Within 24 hours after appropriate payment / arrangement
(d)	Electricity meter reading cycle:	90% of meters being read on a monthly basis with a maximum of 3 consecutive months estimated
(e)	Water meter reading cycle:	80% of meters being read on a monthly basis with a maximum of 3 consecutive months estimated

6. Administrative performance targets

6.1 Cost Efficiency of Debt Collection:

6.1.1 Cost efficiency of debt collection:

- (a) Cost of collection not to exceed the capital debt amount;
- (b) All reasonable steps to be taken to limit cost to Council or the customer;
- (c) Cost of collection is to be recovered from the defaulting customers; and
- (d) Total cost of collection to be recovered by means of applicable credit control tariffs.

6.2 Query and appeal periods:

- 6.2.1 Sixty (60) working days to resolve queries and appeals through Council committees, the Executive Mayor and Mayoral Committee and Council.

12. ANNEXURE B: ARRANGEMENTS

1. ARRANGEMENTS

1.1 If a customer cannot pay his / her account with the Municipality then the Municipality may enter into an extended term of payment not exceeding 36 months (arrears before the January 2018 billing run) or 12 months (arrears after the January 2018 billing run) with the customer. The customer must:

1.1.1 Sign an acknowledgement of debt;

1.1.2 Sign consent to judgement;

1.1.3 Provide a garnishee order / emolument order / stop order (if he or she is in employment);

1.1.4 Acknowledge that interest will be charged at the prescribed rate;

1.1.5 Pay the current portion of the account in cash;

1.1.6 Sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible and that disconnection of water and electricity will follow immediately, as will legal proceedings; and

1.1.7 Acknowledge liability of all costs incurred.

1.2 Consumer to agree to signing an electronic Acknowledgement of Debt form, which stipulates all of the above and acknowledges the arrangements made.

2. THE FOLLOWING ACCEPTABLE ARRANGEMENTS CAN BE ENTERED INTO WITH:

2.1 Domestic consumers (with arrears before the 2018 billing run)

2.1.1 The prescripts of the Writing-Off of Irrecoverable Debt Policy will be used to determine the acceptable arrangements on arrears.

2.1.2 The customer may have three accounts in making such acceptable arrangements. A current account that must be paid up to date on a monthly basis, a suspended account that will carry the monthly arrangements instalments to be paid over a maximum of 36 months and a suspended account that will carry the calculated arrear amount to be written-off over 36 months.

2.1.3 Where the 20% of the gross salary of the consumer, does not cover the monthly account, the whole account will placed on an abeyance account to be written off over

a three year period, with the proviso that the monthly account is paid up to date every month.

2.1.4 The suspended accounts will bear no interest on arrears.

2.2 Domestic consumers (with arrears accumulated after the 2018 billing run)

2.2.1 A down payment of twenty per cent (20%) of outstanding debt plus the cost of the credit control actions. The balance of the outstanding debt will be repayable over a maximum period of 12 months.

2.2.2 The consumer deposit to shall be increased up to the minimum as determined annually and published in the tariff list. For consumers that persist to default the consumer deposit will be increased up to the maximum limit as determined and published in the tariff list.

2.3 Churches, welfare organisations, sporting bodies, emerging farmers, etcetera (with arrears before the 2018 billing run)

2.3.1 The prescripts of the Writing-Off of Irrecoverable Debt Policy will be used to determine the acceptable arrangements on arrears.

2.3.2 The customer may have two accounts in making such acceptable arrangements. A current account that must be paid up to date on a monthly basis and a suspended account that will carry the monthly arrangements instalments to be paid over a maximum of 12 months.

2.3.3 The suspended account will bear no interest on arrears.

2.4 Churches, welfare organisations, sporting bodies, emerging farmers, etcetera (with accumulated arrears after the 2018 billing run)

2.4.1 A down payment of twenty per cent (20%) of outstanding debt plus the cost of the credit control actions. The balance of the outstanding debt will be repayable over a maximum period of 12 months.

2.4.2 The consumer deposit to be increased up to the minimum as determined annually and published in the tariff list. For consumers that persist to default the consumer deposit will be increased up to the limit as determined and published in the tariff list.

2.5 Business, industrial and agriculture customers (with arrears before the 2018 billing run)

- 2.5.1 The prescripts of the Writing-Off of Irrecoverable Debt Policy will be used to determine the acceptable arrangements on arrears.
- 2.5.2 The customer may have two accounts in making such acceptable arrangements. A current account that must be paid up to date on a monthly basis and a suspended account that will carry the monthly arrangements instalments to be paid over a maximum of 6 months.
- 2.5.3 The suspended account will bear no interest on arrears.
- 2.6 Business, industrial and agriculture customers (with accumulated arrears after the 2018 billing run)
- 2.6.1 A down payment of twenty per cent (20%) of outstanding debt plus the cost of the credit control actions. The balance of the outstanding debt will be repayable over a maximum period of 6 months.
- 2.6.2 The consumer deposit shall be increased up to the minimum as determined annually and published in the tariff list. For consumers that persist to default the consumer deposit will be increased up to the maximum limit as determined and published in the tariff list.
- 2.7 Government departments and schools
- 2.7.1 1st default in financial year:
- (a) Three (3) weeks' notice – no arrangements; and
 - (b) Deposit shall be adjusted to 3 months consumption.
- 2.7.2 2nd default in financial year:
- (a) Two (2) weeks' notice – no arrangements; and
 - (b) Deposit shall be adjusted to 3 months consumption.
- 2.7.3 3rd default in financial year:
- (a) Forty eight (48) hours' notice – no arrangements; and
 - (b) Deposit shall be adjusted to 3 months consumption.
- 2.8 Administrations
- 2.8.1 Where a person has been placed under administration the following procedures will be followed:

- (a) The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator's dividend;
- (b) The administrator is to open a new account on behalf of the debtor, with an updated deposit. No account is to be opened / operated in the debtor's name as the debtor is not entitled to accumulate debt (refer section 74S of the Magistrates Courts, No 32 of 1944);
- (c) Until such time as this new account is opened, the debtor is to be placed on limited service levels. The consumer will be compelled to install a prepaid electricity and water meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the prepaid meter/s; and
- (d) Should there be any default on the current account, the supply of services is to be limited or terminated on reasonable notice to the owner and consumer, and the administrator handed over for the collection of this debt.

2.9 Indigent households

- 2.9.1 All consumers qualifying as indigent households will receive monthly indigent support provided that a pre-paid water and / or pre-paid electricity meter may be installed on Council's cost. All arrear debt will be written-off as a once-off exercise per financial year.
- 2.9.2 Council acknowledges that pre-paid water and electricity meters cannot be installed at once and that this can only be done as and when the operating budget of the Municipality has available funds to install these meters.
- 2.9.3 Council also acknowledges that indigent households cannot afford to replace broken conventional and pre-paid electricity and water meters with new ones. They are also not in a financial position to replace broken electricity and water connections as well as to pay for minor repairs to sewerage connections and blockages. For this purpose Council will budget in their operating for such costs. Pre-paid electricity and water meters and minor repairs to service connections may therefore be done from Council's budgeted funds provided that the relevant Executive Manager has motivated such a request, that adequate funds on the operating budget is still available and that the Municipal Manager or Chief Financial Officer has approved such a request.
- 2.9.4 Approved pensioner indigent applications (disabled persons and child headed families included) will be valid for a period of three financial years, starting from 2018/2019, and will be renewed in the financial year 2021/2022.

13. ANNEXURE C: APPLICATION FORM FOR INDIGENT HOUSEHOLDS

Indigent Application Number:	
Indigent Households	
Income R0 – R4,250	IND 100
Retired and Disabled persons	
Income R4,001 – R4,500	IND 080
Income R4,501 – R5,250	IND 050
Income R5,251 – R6,000	IND 020

1. APPLICATION FOR INDIGENT HOUSEHOLD & OTHER SUPPORT

- 1.1 In an effort to assist the needy population in the payment of basic municipal services, as detailed in the enclosed pamphlet, the Municipal Council of Drakenstein Municipality has agreed to a subsidy scheme whereby households earning less than R4,250 per month (2 x old age or social grant pension amount approved by the Minister of Finance x 25%) will have certain services fully or partly subsidised.
- 1.2 Please read the back of this form to see if you qualify and what documents or forms you are required to submit with this application. If you feel that you do qualify, you must complete the details of all the occupants (owner / spouse / tenants) who are responsible for the payment of municipal services on a property as at or from the date of this application, together with their respective gross monthly incomes, in the space below.

2. PERSONAL PARTICULARS OF ALL OCCUPANTS RESPONSIBLE FOR PAYING THE MUNICIPAL SERVICES

NO.	INITIALS	SURNAME	IDENTITY NUMER	MARRIED	CUSTOMARY	DIVORCED	SINGLE	EMPLOYED (YES/NO)	EMPLOYER NAME	GROSS MONTHLY INCOME	SOURCE OF INCOME
1										R	
2										R	
3										R	
4										R	

3. DECLARATION BY APPLICANT

I, the undersigned, resident at the address indicated above, hereby apply for the Household Indigent Support determined in relation to the income indicated above, and solemnly declare that:

- (a) All particulars furnished on this form, including the total gross income of myself and all occupants of the premises, are to the best of my knowledge and belief, true and correct;
- (b) If the particulars furnished in this form should change for any reason, I will immediately notify Council;
- (c) I am aware that the information supplied in this form by me will be made available by Council to the Credit Bureau;
- (d) I or any other occupant do not own any other property in the Republic of South Africa apart from the property indicated on the account for which this application is made;
- (e) I agree that Council officials may conduct an on-site audit to verify the information supplied on this declaration;
- (f) I am aware that any false declaration on this form is punishable by law and will result in disqualification of the subsidy; and
- (g) I do hereby acknowledge that the debts in respect of the arrears amounting otherwise to R_____ as at _____ (together with interest accrued at the standard interest rate) on the account number indicated above remain payable by me unless Council resolves otherwise.
- (h) I agree to the installation of a prepaid electricity meter and / or a prepaid water should my account fall in arrears for a period longer than 90 days or more.

SIGNATURE / THUMB PRINT OF APPLICANT

DATE

COMMISSIONER OF OATH

FOR OFFICE USE ONLY

The consequences of the above declaration made by the applicant were explained to him/her and he/she indicated that:

- (a) The contents of the declaration were understood; and
- (b) If found to be untrue, he/she would automatically be disqualified from receiving any indigent support. He/she will be liable for the immediate repayment of any indigent support received and may have criminal proceedings instituted against him/her as Council may deem fit.

Municipal Attesting Officer: _____

14. ANNEXURE D: INFORMATION / CONDITIONS OF INDIGENT SUPPORT

The application form together with the documents indicated below must be brought by the account holder (i.e. the person in whose name the account is rendered) to one of the council's offices indicated in the enclosed pamphlet. Prospective applicants must apply at the venues designated in their respective areas and not at any other places.

1. Who qualifies?

- 1.1 A household (main bread winner/s of a household), residing on an erf, earning a combined gross income of equal or less than two times the monthly government social grant paid to old age pensioners or disabled persons plus 25%.
- 1.2 Pensioners who has a usufruct of a dwelling belonging to a non-qualifying owner. (eg. children or relative). A sworn affidavit from pensioner enjoying the usufruct and the non-qualifying relative stating their current address must be submitted as proof residence.

2. Who does not qualify?

- 2.1 A household on a single erf whose combined gross income exceeds the amount of two times the monthly government social grant amount paid to old age pensioners or disabled persons plus 25%.
 - 2.2 Occupants / residents who owns more than one property.
 - 2.3 A household consuming more than 400 kWh units of electricity per month or those who supply electricity to back yarders (800 kWh) per month will still qualify to purchase electricity at the lifeline tariff but for the consumption above 400 kWh units of electricity per month will pay the normal electricity tariff.
3. Documentary proof of income and marital status (e.g. letter from an employer, salary advice, pension card, UIF card etc.) must be presented in order to qualify for indigent support.
4. In addition, applicants will be required to sign and submit a sworn affidavit to the effect that all information supplied is true and that all income from formal and / or informal sources has been declared. Special note should be taken that any person who supplies false information will be disqualified from further participation in the indigent support scheme. He / she will also be liable for the immediate repayment of all indigent support received and the institution of criminal proceedings, as Council may deem fit.

5. Council reserves the right to send officials to premises / households receiving relief for the purpose of conducting an on-site audit of the details supplied.
6. The account holder must apply in person and must present the following documents upon application:
 - (a) The latest municipal account in his / her possession;
 - (b) The account holder's identity document; and
 - (c) An application form indicating the names and identity numbers of the occupants who are responsible for the payment of the municipal services rendered to the residents at the property.
7. If the application is approved, the indigent support will only be valid until the end of the financial year for which the indigent application has been evaluated with no guarantee of renewal, as it is funded by a grant from National Government to the Municipality. The onus is on account holders to re-apply for relief each year, failing which the assistance will cease automatically.
8. The following services will be subsidised:
 - (a) Water (Kilolitres per month as determined by Council from time to time). Consumption exceeding the kiloliters determined by Council will be payable by the customer.
 - (b) Electricity (up to 100 kWh per month). Consumption exceeding 100 kWh will be payable by the customer.
 - (c) Sewerage / sanitation.
 - (d) Refuse removal.
 - (e) Property rates to the extent that is determined in the Property Rates Policy of Council.
 - (f) Housing rental levies to the extent that the services portion levied will be in line with the restrictions in paragraph 8(a) to (e) above.
 - (g) 50 % rebate of building plan fees as per the approved tariff structure of the Municipality.

- (h) 50% rebate on municipal fire brigade fees as per the approved tariff structure of the Municipality
9. Support to retired and disabled persons who just fall outside the indigent household bracket referred to in paragraph 1 and 2 above.
- 9.1 Council may consider supporting retired and disabled persons households who just falls outside the indigent household bracket of two times the monthly government social grants paid to old age pensioners or disabled persons.
- 9.2 These cases will be seen as special merit non-indigent household cases to be considered on an *ad hoc* basis by Council.
- 9.3 These cases will have to comply with the above-mentioned application criteria as well as those listed in the Property Rates Policy before it will be considered by the Executive Mayor and Mayoral Committee of Council.
- 9.4 Council may require a report from a welfare practitioner as part of the application criteria before considering the application and possible financial support.
- 9.5 For the 2018/2019 financial year the total monthly income and corresponding financial support is determined as follows:-
- (a) R 0 to R4,250 per month - 100% of indigent support;
 - (b) R 4,251 to R4,750 per month - 80% of indigent support;
 - (c) R 4,751 to R6,000 per month - 50% of indigent support; and
 - (d) R 6,001 to R6,250 per month - 20% of indigent support.
- 9.6 The Municipality retains the right to refuse the financial support if the details supplied in the application form were incomplete, incorrect or false. The Chief Financial Officer may apply his/her mind to exceptional cases not contained above.

15. ANNEXURE E: INDIGENT HOUSEHOLD SUPPORT SCHEME

VERIFICATION OF INFORMATION SUPPLIED: ACCOUNT NUMBER/S

- 1. _____
- 2. _____

In terms of the Indigent Support Scheme, the applicant has agreed that municipal employees may conduct an on-site audit to verify the information supplied on the application form.

SECTION A: PARTICULARS OF ACCOUNT HOLDER/S

- 1. Surname: _____
- 2. First names: _____
- 3. Date of birth: _____
- 4- Residential Address: _____
- 5. Postal address: _____
- 6. ID number: _____
- 7. Telephone no. on site: _____
- 8. Person/s interviewed: _____
- 9. Number of people living on the property _____

SECTION B: INCOME OF HOUSEHOLD

I.D. Number	Initials and Surname	Gross Monthly Income	Source of Income	Employed Yes/No	Proof of Income
TOTAL					

16. ANNEXURE F: APPLICATION FOR MUNICIPAL SERVICES

TOWNSHIP: _____

STAND NO: _____

**A. Please render / *discontinue the following services on _____ (Date)
(_____ working days' notice is required)**

Deposit payable: R _____ Receipt no: _____ Date: _____

Existing account no: _____ New account no: _____

WATER PROVISION			SEWERAGE (TOILET)		ELECTRICITY		REFUSE
Communal Standpipe	Yard Tap	House Connection	Bucket	Water Connection	Prepaid	Credit meter	Removal

TYPE OF SUPPLY:

Domestic	Commercial	Industrial	Educational	State	Agricultural	
State whether any type of business activities to be conducted from residential address (Mark with a cross (X))					YES	NO

At street address: _____

TYPE OF BUILDING

House	Business	Flat	Complex	Sectional Title	Other
-------	----------	------	---------	-----------------	-------

B. PERSONAL INFORMATION OF APPLICANT/CUSTOMER

Trust/ Close Corporation/Company name:	_____
Trust/ Close Corporation/Company registration no.: ¹	_____
Surname: _____	ID Number: _____
First Names: _____	Pension Number : _____
Previous Address: _____	
Postal Address: _____	
Employer: _____	
Work Address: _____	
Employee Number: _____	
Postal Code: _____	Number of years at current site : _____
Tel. Work: _____	Tel. Home: _____
Occupation: _____	Cell No: _____

¹ No application form will be considered unless copies of the relevant registration forms are attached

Marital Status: _____	Bank Details: _____
Spouse Details: _____	Branch: _____

ID Number: _____	Account No: _____
Cell No.: _____	Do you wish to make use of:
Name of Employer: _____	Debit order: <input type="checkbox"/> YES <input type="checkbox"/> NO
Work Address: _____	Stop order: <input type="checkbox"/> YES <input type="checkbox"/> NO
Work Tel. No.: _____	Vehicle Registration No: _____
(In/out community of property/Marital Status Contract /Divorced)(Delete that is not appropriate)	
List of other accounts held: 1 _____	Account No.: _____
2 _____	Account No.: _____
3 _____	Account No.: _____
Previous municipal account _____ (Name of municipality)	Account No.: _____
Occupiers of stand other than family (rental, backyard lodgers, spaza shops, taxis, etc) : _____	
Number of people residing on property: <input type="text"/>	Over 18: <input type="text"/> Under 18: <input type="text"/>
Income of household if applying for indigent support (Include all sources of revenue of all the persons residing on the site): R _____ per month	
Method of account delivery: Fax <input type="checkbox"/>	Fax No: <input type="text"/> Post <input type="checkbox"/>
E-mail <input type="checkbox"/>	E-mail address: <input type="text"/>
Name and address of a family member and/or friend not residing at the same address: _____ _____ Tel. No.: _____	
If not the owner, to whom do you pay rent: _____ _____	

C. TO BE COMPLETED BY OWNER/AGENT/CARETAKER FOR LEASED PROPERTIES

Surname: _____	First Names: _____
Home Address: _____	ID Number: _____
Name of Employer: _____	
Date: _____	Signature: _____

D. DECLARATION BY APPLICANT

1. I hereby declare that I/we agree to the conditions of supply of the mentioned services as laid down in the by-laws of the Municipality and other laws that are applicable.
2. I/We hereby certify the information furnished to be correct.
3. I/We hereby accept the street address/stand number specified above as my own domicilium citandi et executandi address where I will accept any notices to be served.
4. I/We received a duplicate of this application form and am/are aware of the applicable further conditions of supply set out in the annexure at the back of this form.
5. <u>I/We agree that the terms of the Municipal Customer Care, Credit Control, Debt Collection and Indigent Policy are included by reference as terms and conditions of this supply</u>

CUSTOMER/APPLICANT

ON BEHALF OF MUNICIPALITY

DATE: _____

DATE: _____