

TSWELOPELE MUNICIPALITY

PROPOSED AMENDMENT TO INDIGENT POLICY FOR 2003 / 2004 FINANCIAL YEAR

[CMM 12.2 - 26/02/2003]

BACKGROUND:

Weaknesses:

1. The monthly income brackets contained in the Indigent Policy seems to be based on the individual monthly income instead of household income as per policy requirement.
2. Records of the Cashier and account officers clearly indicate that very few if none of the people falling with the bracket of 0 - R 500-00 and between R 601-00 - R 800-00 are committed to continuous service payment.
3. The category R 801-00 and above: Tikwana which is targeted to pay R 66-72 and R 801-00 and above in Phahameng do not comply by paying their services.
4. The first arrears where policy was adopted where falling in the category R 501-00 - R 600-00 at the moment they are the category R 601-00 - R 700-00.
5. The first citizens in a household will be obliged to pay full amount.
6. More brackets and categorization of consumers lead to difficulties in monitoring systems.
7. The property rates are not addressed by the Indigent Policy. According to white paper on local government the municipality needs to develop a clear policy and set out procedures regarding the full or partial relief of those who are genuinely too poor to pay for rates.
8. Residents with more than one property and a household purchasing more than 250 unit of electricity per month are not qualified as per policy directives.
9. Monitoring for compliance and implementation of the policy was lacking.

LEGAL IMPLICATIONS: According to LG Municipal Systems Act, 2000 Chapter 9, section 96, a municipality must collect all money that is due and payable to it, subject to this Act and any other applicable legislation, and for this purpose, must adopt, maintain and implement a Credit Control and Debt Collection Policy which is consistent with it's rates and tariff policies and complies with the provisions of the Local Government Municipal Systems Act, 2000.

FINANCIAL IMPLICATIONS: The Policy aimed at assisting the verified indigent to pay services but Council lost revenue from the lowest category who clearly show no commitment of paying services of such small amounts as reflects in the policy for 2001 / 2002 financial year.

RECOMMENDED:

1. That the following amendemtns to the Policy be made for the 2003 / 2004 financial year:

HOUSEHOLD INCOME	OBLIGATION TO THE HOUSEHOLD
0 - R 300-00	R 20-00
R 301-00 - R 500-00	R 25-00
R 501-00 - R 600-00	R 30-00
R 601-00 - R 700-00	R 50-00
R 701-00 - R 800-00	R 55-00
R 801-00 above [Tikwana]	R 66-72
R 801-00 above [Phahameng]	R 83-40

2. This brackets will allow Council not to increase service delivery but reduce the brackets of idigents for 2003 / 2004.
3. The above policy will be easily monitored and evaluated consistently.
4. Previous indigent have been 9 [nine] brackets whereas this will only have 7 [seven] brackets which will be further reduced.
5. Monitoring system of payments of services must be adopted and approved by Council for better collection.
6. That compliance to the indigent brackets be fully implemented and adhered to systematically.