



- (24) The City Manager may restrict, disconnect or discontinue any service to a property;
- (a) if the registered owner withdraws, in writing, any permission granted in terms of sub-item (23) where the tenant has defaulted on the arrangement made; and
 - (b) no new application for any service to the property will be authorised until all the arrears have been settled in full.
- (25) Where an arrangement has been concluded in order for an applicant to qualify for any exemptions, rebates or reductions in terms of the Rates Policy such arrangement shall be adhered to; and
- (a) should there be any default on the arrangement referred to in sub-item (23) then all the exemptions, rebates or deductions granted will be reversed with effect from the date on which the relevant application was granted.
- (26) The City Manager is not obliged to enter into any arrangement or any instalment plan –
- (a) where a property has been classified as a problem building in terms of the City of Cape Town: Problem Building By-law, 2010, for any debt owing to the City; and
 - (b) for any services as contained in the City of Cape Town: Cemeteries, Crematoria and Funeral Undertakers By-law, 2011 as amended from time to time or as superseded by any subsequent legislation.
- (27) Arrangements, that meet the requirements of this item, may be concluded, via any electronic communication, as defined in section 1, of the Electronic Communications and Transactions Act, 25 of 2002.

14. Special rating areas

- (1) Any additional rate, tariff or levy will be determined in accordance with Section 22 of the Property Rates Act, the Rates Policy, the City of Cape Town: Special Rating Areas By-law and the Special Rating Areas Policy.
- (2) Any additional rate, tariff or levy will be added to the monthly municipal account and must be paid by the due date to avoid interest being charged.
- (3) The additional rate, tariff or levy will be subject to the debt management procedures as described in this policy.
- (4) Interest will be charged on all overdue accounts.



CHAPTER 3: HUMAN SETTLEMENTS

15. General principles

Additional definition

- (1) In this Chapter the definition of –
 - (a) *'income' as stipulated in Chapter 1 applies but child, foster and dependency grants are excluded from the income of the debtor and spouse. Where reference is made to the owner, it includes the lessee or purchaser who has still to take transfer.*

Interest on arrears

- (2) Interest may be charged on all overdue accounts at an interest rate that shall be calculated at 0% or as determined by Council from time to time.
- (3) Where applicable interest charges on arrears will be frozen subject to the debt arrangement being honoured.

Debt arrangements

- (4) The debtor may be required to prove levels of income and must agree to a mutually agreed debt arrangement based on such debtor's ability to pay or based on such debtor's total liquidity if the City Manager so requires; and
 - (a) this debt arrangement requires the payment of the current monthly charges plus a mutually agreed amount, of not less than R70.00 for non-indigent debtors, towards the arrears each month with a minimum 90% payment in the review period.
- (5) If a debt arrangement is not honoured, the debt collection process or legal action will resume from where it was suspended and not restart at the beginning of the debt management process.
- (6) A debtor who defaults on arrangements made may not be allowed to enter into an arrangement after defaulting for the third time. Such debtor will proceed in the debt management process if regular payment is not received.

Recovery of costs

- (7) The City Manager may recover from the debtor the following costs in instances where such costs are incurred by or on behalf of the City,



- (a) cost and administration fees where payments, made to the City by negotiable instruments, are dishonoured by banks when presented for payment;
- (b) legal and administration and all other costs/charges, including attorney and client costs, and tracing fees incurred in the recovery of debts; and
- (c) any collection and related commission.

Minimum payments

- (8) Providing that the debtor has not defaulted on debt arrangements on more than two occasions and notwithstanding the criteria in sub-item 4, the following minimum payments added to legal costs may be required from the debtor prior to entering into an arrangement and stopping the legal process:

On signing a debt rescheduling arrangement	1 X	total monthly housing charge
Following the service of a summons	2 X	total monthly housing charge
Where judgement has been granted	3 X	total monthly housing charge
On day of eviction	12 X	total monthly housing charge

- (a) in each case the payment will be limited to the lesser of the outstanding balance or the amount calculated above; and
- (b) the City Manager may use discretion in terms of the amount payable where the tenant is found to be indigent in terms of the provisions of the Housing Indigent Grant.

Arrangements at eviction stage

- (9) Providing that the debtor has not defaulted on debt arrangements more than twice, the following arrangement may be made –
- (a) If the debtor defaults on an arrangement entered into on the day of eviction, a re-issued warrant of eviction will be obtained and the subsequent eviction process will be enforced unless the debtor pays the amount owing in full.

There will be no reinstatement after eviction.



Suspension of dunning due to infirmity

- (10) The City Manager may approve suspending the housing dunning procedure for a period not exceeding six months in instances where the contracted party is severely physically or mentally infirm. Such decision will be based on a comprehensive report compiled by the relevant official of the area in which the debtor resides.

Outsourcing of services

- (11) The City may utilise the services of any organisation in order to facilitate the recovery of housing debt.

Attachment of goods

- (12) The City Manager may attain a court order and attach the personal possessions of a debtor which may be auctioned in order to recover any debt owed by the debtor.
- (13) Items 11, 12 and 13 found in Chapter 2, the whole of Chapter 4, item 37 of Chapter 6 and the whole of Chapter 8 do not relate to housing under this policy.

Subsidy phase out programme

- (14) In order to ensure the affordable implementation and recovery of all housing charges, as aligned to the City's housing debt management programme, the subsidy phase out programme status will remain at its current level, of an automatic 20% rental subsidy for all qualifying tenants residing in Council rental properties, prior to 1 January 2007.

Disconnection of supply of services for debt

- (15) The supply of any service to the property may be restricted, disconnected or discontinued in terms of section 9 and 10 of the Credit Control and Debt Collection By-law.
- (16) When purchasing electricity units, the City Manager may deduct a percentage of the monetary value towards settling any arrears. This action will be by prior notification to such debtor and shall remain unchanged unless by default.



Delay in transfer of tenancy

- (17) Where a transfer of tenancy has been delayed, the City may adjust the rental account as follows:
- (a) Should the delay in finalizing the tenancy be due to an administrative error, the rental account may be adjusted for a maximum period of one year from the date of the signing of the rental contract; or
 - (b) should there be a delay in finalizing the tenancy due to negligence on the part of the prospective tenant, then the rental account may be adjusted for a maximum period of three years from the date of the signing of the rental contract; and
 - (c) the City may also agree to such amounts being settled by way of a debt arrangement.

16. Collection process: Rental Schemes

- (1) Rental is payable in advance by the due date; and
 - (a) any councillor or staff member, who enters into a lease agreement, with the City, in their personal capacity, shall agree to sign a stop order, on their respective remuneration or salary, in favour of the City, for the agreed rental and all charges relating to the lease.
- (2) If payment is not received, a letter of demand is sent to the defaulting debtor requesting payment and offering the debtor an opportunity to make an arrangement within 30 (thirty) days, from the date of the letter.
- (3) Failure to respond to this letter of demand timeously will result in legal proceedings.
- (4) The legal collection process will start with a letter demanding payment within a stipulated period.
- (5) If the debtor fails to respond within the stipulated period, summons will be issued.
- (6) No response to the summons will result in the City making an application to court for default judgement and, ultimately, the commencement of eviction proceedings.



17. Collection process: Home-ownership Schemes

- (1) Instalments and other housing charges are payable by the due date; and
 - (a) these amounts including any other debt due, where they are payable by any councillor or staff member, shall be recovered by way of a stop order, from their respective remuneration or salary, which they shall agree to.
- (2) If payment is not received, a letter of demand is sent to the defaulting debtor requesting payment and offering the debtor an opportunity to make an arrangement within 30 (thirty) days from the date of the letter.
- (3) Failure to respond to this letter of demand timeously will result in legal proceedings.
- (4) The legal collection process will start with a letter demanding payment within a stipulated period.
- (5) If the debtor fails to respond within the stipulated period, summons will be issued. No response to the summons will result in the City making an application to court for default judgment and ultimately, the commencement of eviction proceedings.
- (6) If the amount due on the day of eviction is not paid, repossession of the property will take place and immovable property may be sold or converted to a rental unit and let in accordance with the City's Allocations Policy: Housing Opportunities.

18. Rates rebate benefits: Home-ownership Schemes

All residential property owners, who are registered as indigent, and who qualify in terms of item 19 (1), will receive the same rates rebate benefits as approved by Council for owners who are dependent on pension or social grants for their livelihood, as found in the Rates Policy, at the equivalent gross monthly household income level as set out in the Rates Policy.

19. Indigent relief

- (1) Housing Indigent Relief (rental and home ownership schemes) shall be applied as follows:
 - (a) Where the joint income of a housing debtor and spouse or partner does not exceed R4 500.00 per month, such debtor shall be deemed to be indigent;



- (b) where a housing debtor has applied for and been granted a housing indigent grant, all debt related to that property for that debtor (excluding capital debt of home ownership debtors) up to the date of granting of indigent status will be written back. Such write back will occur only once for any debtor, thereby allowing for a once off rehabilitation;
- (c) an indigent debtor will, where applicable, have any credit meter for water at the premises replaced with a water management device or any prepayment water meter; and
 - (i) the Water Department will be notified regarding the required installation of such water management device and will be responsible for the installation thereof;
- (d) an indigent debtor will have any credit meter for electricity at the premises replaced with an electricity dispensing unit (EDU); and
 - (i) the Electricity Department and the maintenance section of the Public Housing and Customer Services department will be notified regarding the required installation of the EDU and will be responsible for the installation thereof;
- (e) failure by an indigent debtor to pay 90% of the amount due within a review period of 2 (two) months will lead to the indigent grant being cancelled; where after the debtor will immediately be subject to the housing debt management policy;
- (f) the indigent grant will be valid for a period of 12 (twelve) months and all housing indigent grant applicants are required to re-apply after 12 (twelve) months;
- (g) should it be discovered that there were any purposeful omissions by the applicant with respect to the Indigent Grant application which result in the applicant not complying with the indigent grant requirements, the grant will be cancelled and reversed to the date of application;
- (h) any debtor who fails to pay the indigent rental regularly and on time, causing the indigent grant to cancel, may not be allowed to re-apply for the grant after defaulting and re-applying 3 (three) times. The City Manager has the discretion to consider each case on its merit; and
 - (i) the indigent rental will be calculated according to the following table:



INCOME	PERCENTAGE OF INCOME PAYABLE	MINIMUM ARRANGEMENT AMOUNT
R0 to R2 000	5 % with a minimum rental of R10	R15
R2 001 to R3 500	8%	R25
R3 501 to R4 500	10%	R40
For the purpose of income the cents value is disregarded except that the maximum income permissible is capped at R4 500.00.		

- (i) an indigent debtor, where applicable, will receive a waste collection service rebate of 100% for the first 240L container; and
- (j) All new applicants who apply and are registered as indigent on or after 1 July 2017, who are 60 (sixty) years of age and older in terms of item 19 of this policy, will have their indigent grant remain valid for 3 (three) years or up to the termination date of the lease whichever date is the earlier; and
 - (i) subject to sub-item 28 (3) and (4) no restriction, disconnection or discontinuation of any service or legal action will be instituted against any debtor for the duration of the approved indigent grant period; and
 - (ii) any subsequent late application received from a beneficiary, under this sub-item, may be regarded as having been received timeously; and
 - (iii) notwithstanding sub-item (j) (i), services may be limited, if deemed necessary, by the City Manager; and
 - (iv) debtors who have been registered as indigent, and who are in receipt of an older persons grant or a war veterans grant from the South African Social Security Agency (or their successor in title) will continue to receive indigent benefits until they no longer qualify for such older persons grant or until they no longer meet the indigent criteria; and
 - (v) Any penalty rental or surcharge based on an income amount exceeding R3 500.00 but not more than R4 500.00 per month may be subject to an indigent benefit.
- (2) Where the City’s rental units, have not been valued, and where water and sewerage accounts are in the name of the tenant or the tenant is responsible for the payment of these charges, such tenant will be deemed to be indigent, unless proven otherwise.



CHAPTER 4: INDIGENT RELIEF FOR RESIDENTIAL PROPERTIES

20. **Tariff structure**

- (1) The Rates Policy and Tariff Policy are designed to enable those residential debtors who meet the criteria as defined therein to obtain free basic services and a rates rebate.
- (2) The free basic services and the rates rebate referred to in this Chapter will be as determined by Council from time to time, and
 - (a) such determination will override anything else to the contrary as contained in this Chapter.

21. **Excess consumption**

Any consumer who uses in excess of any free allocation of services, will be charged for those services in accordance with the Tariff Policy and will be subject to this policy.

22. **Arrears**

- (1) All residential debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of that property, and thereafter will be subject to item 21, provided that;
 - (a) a prepayment electricity meter and a water management device or a prepayment water meter must be installed, where applicable; and
 - (b) the arrears are not as a direct result of tampering or any illegal usage of services.
- (2) After the arrears have been written off in terms of sub-item (1), and irrespective of whether consumers receive a current account for any subsequent rates and services, consumers who again fall into arrears are still required to make an arrangement with the City Manager to pay off their arrears in accordance with the principles and conditions contained in this policy.
- (3) Sub-item (2) applies to all persons who have had their arrears written off in terms of sub-item (1) and who at any stage thereafter re-apply for indigent status.
- (4) Where any arrangement, as referred to in sub-item (2), is defaulted on, then all the indigent benefits received as a result of being registered, in terms of item 23, will cease, with effect from the date of such default.



23. Registration criteria

- (1) In order to qualify for registration as an indigent, for a period not exceeding twelve months, an applicant, which could include any combination of applicants, must satisfy the following criteria:
 - (a) The property must be a residential property; and
 - (b) the applicant, or any combination of applicants, must be –
 - (i) the registered owner of the residential property; or
 - (ii) an occupier of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents; or
 - (iii) a purchaser of a residential property from any of the spheres of government on a delayed transfer basis; or
 - (iv) the party to whom the residential property is awarded in the event of a divorce; or
 - (v) where a deceased estate has not been wound up;
 - (aa) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or
 - (bb) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses' names, and the surviving spouse is the sole heir; or
 - (cc) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or
 - (dd) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate; or
 - (vi) in the event of the residential property being registered in the name of a trust,
 - (aa) the beneficiaries, for the meantime, of a testamentary trust established in terms of the Administration of Estates Act, 66 of 1965; or
 - (bb) the trustees together with any beneficiaries, for the meantime, of a trust established in terms of the Trust Property Control Act, 57 of 1988; or
 - (vii) a usufructuary or habitatio where such usufruct or habitatio right is registered against a residential property in the name of that usufructuary or habitatio; or



- (viii) where there is more than one person residing at the residential property who meet any of the criteria set out in this sub-item then they must jointly make application in terms of this item;
 - (ix) all the members of a close corporation who meet all the relevant criteria;
 - (x) notwithstanding anything else contained in this policy a backyard dweller may have consumption subsidised from the indigent fund as more fully set out in sub-item 24 (2); and
 - (c) the total household income of the residential property may not exceed the maximum income of the owners who are dependent on pension or social grants for their livelihood as provided for in the Rates Policy, who receive a 100% rates rebate; and
 - (d) the applicant may not be the registered owner of more than one immovable property nationally and internationally;
 - (i) sub-item 23 (1) (d) excludes any unproductive vacant land, as defined in the Rates Policy; and
 - (e) be a full-time occupant of the residential property or where the registered owner is unable to occupy the property due to no fault of such registered owner, the spouse, or partner and including any party in a cohabitation relationship or minor children may satisfy the occupancy requirement; and
 - (f) where applicable, must have a prepayment electricity meter, a water management device or a prepayment water meter installed in terms of any applicable by-law or policy, as read with any approved tariff; and
 - (g) notwithstanding the aforesaid, registered owners of residential properties which have a municipal valuation of R300 000, or less, or as determined by Council from time to time, will be deemed to meet the criteria in sub-item (a) to (e) above and will be regarded as being registered, unless proven differently; and
 - (i) in addition, any property that qualified, in terms of sub-item (g), will be deemed to meet the criteria, in sub-item (a) to (e) above, and will be regarded as being registered, even if such property value subsequently exceeds a municipal valuation, of R300 000 or less, as referred to sub-item (g); and
 - (ii) interest on –
 - (aa) rates may be charged at 0%; and
 - (bb) other debt may be suspended until the devices as referred to in sub-item 22 are installed and the arrears are written off.
- (2) The City Manager may call upon an applicant, an indigent or a debtor at any time to produce documents in support of their claim for indigency or indigent status; and



- (a) may at any time approach any person in order to verify any claim made by an applicant or indigent.
- (3) Council may determine any criteria as mentioned in sub-items (1) and (2) from time to time.
- (4) Deleted
- (5) Notwithstanding sub-item (1) (g) any interest charges already raised on the properties identified therein may be written off.
- (6) The City Manager may approve the indigent benefit where an applicant can prove that a spouse, or partner and including any party in a cohabitation relationship can no longer be traced and such spouse, or partner or any party in a cohabitation relationship has left the home, for a period of at least three years, but the applicant still meets all the other qualifying criteria.
- (7) Notwithstanding sub-item (1) (g) where the property was valued at R88 000,00 or less, during the 2006 General Valuation (“GV”) inclusive of any Supplementary Valuations (“SV”) thereto, with the exception of any SV which increased the value of the 2006 GV as a direct result of the property having been undervalued in the first instance, as compiled in terms of the Property Rates Act, and regardless of any subsequent GV or SV, until determined otherwise by Council, will be deemed to meet the criteria in sub-item (1) (a) to (e) and will be regarded as being registered, unless proven differently ; and
 - (i) interest may be charged at 0% until the said devices are installed and the arrears written off.
- (8) All new applicants, who apply and are approved, on or after 1 July 2017, who are 60 years of age and older, who have been registered as indigent, in terms of items 23 (1) and 24 (4), of this policy, will remain valid until the next GV or SV is implemented; and
 - (i) subject to sub-item 28 (3) and (4) no restriction, disconnection or discontinuation of any service or legal action will be instituted against any debtor, who has registered for the duration of the GV that is in force;
 - (ii) any subsequent late application received from a beneficiary, under this sub-item, may be regarded as having been received timeously;
 - (iii) notwithstanding sub-item 23 (8) (i), services may be limited, if deemed necessary, by the City Manager; and
 - (iv) debtors who have been registered as indigent, and who are in receipt of an older persons grant or a war veterans grant from the South African Social Security Agency (or their successor in title) will continue to receive indigent benefits until they no longer qualify for such older persons grant or until they no longer meet the indigent criteria.



24. Indigent relief: rates

- (1) No rates will be levied on any residential property where the municipal valuation does not exceed the municipal valuation as referred to in the Rates Policy.
- (2) Deleted
- (3) Deleted
- (4) All applicants who qualify in terms of item 23:
 - (a) Will receive the same rates rebate benefits as approved by Council for owners who are dependent on pension or social grants for their livelihood, as found in the Rates Policy, at the equivalent gross monthly household income level as set out in the Rates Policy; or
 - (b) who do not receive any rates rebate, for persons who are dependent on pension or social grants for their livelihood, in terms of the Rates Policy, and with the exception of item 23 (1) (c) and (f), will only receive a rates rebate, from the date that the benefit has been approved for a period not exceeding twelve months, of:
 - (i) 75%, if their income is greater than R4,501.00 and not more than R5,500.00; or
 - (ii) a 50% rebate if their income is R5,501.00 and not more than R6,500.00; or
 - (iii) a 25% rebate if their income is R6,501.00 and not more than R7,000.00; andany cents shown as income will be disregarded for sub-items (i) and (ii).
 - (c) all indigents referred to in sub-item (4) (b) must make and abide by an arrangement to repay any arrears in accordance with the principles and conditions contained in this policy, no other indigent benefits or rates rebates, as provided for owners who are dependent on pension or social grants for their livelihood, in terms of the Rates Policy, will accrue to such property owner, except as approved by Council from time to time.
- (5) All percentages and amounts mentioned in sub-items (1) to (4) shall be as determined by Council from time to time.
- (6) All debtors, who qualify and are registered as indigent, who require a municipal valuation certificate of their property, for purposes of applying for a social grant, will receive such certificate at no cost.



25. Indigent relief: water and sewerage

- (1) Residential consumers may receive a 100% subsidy up to 10.5kl of water per household per month consumption on a zero-based tariff and any consumption exceeding 10.5 kl per month will be charged at normal tariffs or as determined by Council from time to time; and
 - (a) residential properties valued at more than R400,000.00, or as approved by Council from time to time, shall be excluded from this provision, unless an applicant is registered as indigent, and qualify in terms of item 23 (1).
- (2) The City Manager shall grant authority that a water management device or a prepayment water meter may be installed in properties qualifying for indigent relief so as to reduce consumption to affordable levels.
- (3) A residential debtor who doubts the validity of the consumption stated on any account may apply for the meter to be tested at his or her cost as per the Tariff Policy relating to indigence.
- (4) Where activated backyard dwellers will receive a 100% subsidy up to 10.5kl of water per household per month. Any consumption exceeding 10.5 kl per month will be charged at normal tariffs or as determined by Council from time to time.
- (5) The 100% subsidy referred to in sub-items (1) and (4), may not result in a credit balance and may not be converted to cash, set-off against any other account or be refunded in terms of this policy.
- (6) Sewerage will be charged as contained in the Tariff Policy.

26. Indigent relief: electricity

- (1) Residential debtors will receive indigent benefits as set out in the Tariff Policy; and
 - (a) prepayment meters will not receive the free basic supply of electricity for months in which no energy is purchased unless this is specifically claimed each month at a vending outlet; and
 - (b) credit meters will be credited with as much of the free basic supply of electricity as is used during the metering period.
- (2) The City Manager shall grant authority that a prepayment meter may be installed in those properties where the registered owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means. All prepayment meters are installed at the rate as indicated in the Tariff Policy.



27. Indigent relief: solid waste

- (1) All residential debtors whose, properties are below a municipal valuation, as determined by Council from time to time, may receive a free or rebated waste collection service; and
 - (a) all residential property owners, who are registered as indigent, and who qualify in terms of item 23 (1), will receive a waste collection service rebate of 100% for the first 240L container; and
 - (b) all residential property owners, who are registered as indigent, and who qualify in terms of item 24 (4) (b), will receive a waste collection service rebate equivalent to the percentage granted in respect of a rates rebate based on the same income levels for the first 240L container.
- (2) All informal residential debtors will receive a free basic waste collection service as set out in the Tariff Policy.

28. Debt management actions

- (1) Subject to sub-item (3) and (4), and provided no further debt is incurred, no restriction, disconnection or discontinuation of any service or legal action will be instituted against any debtor, who has registered for and been accepted as an indigent for a period of twelve months, or while they still qualify as indigent, and meet all the criteria, in item 23 (1), during this twelve-month period; and
 - (a) notwithstanding sub-item 28 (1), services may be limited, if deemed necessary, by the City Manager.
- (2) An application for registration as indigent is only valid for a period of twelve months from the date of approval.
- (3) It is a requirement of this policy that should the personal circumstances of a debtor improve to such an extent that such debtor no longer qualifies as an indigent, then such person must notify the City Manager immediately of this change in order for such persons' name to be removed from the indigent register.
- (4) If it is found that a debtor no longer qualifies as an indigent, and such debtor has not informed the City Manager, then this debtor will be de-registered as an indigent, and all suspended steps, as referred to in sub item (1) above, will be lifted, from the time the debtor's circumstances were found to have improved, and interest will be payable on any outstanding amounts.
- (5) The City Manager may, at any time, call upon a debtor, who receives any indigent benefit, to produce documents, or to complete any form, in support of such indigent status; and



- (a) may, at any time, approach any person in order to verify the content of any such document or form so received; and
- (b) may take any steps necessary to determine such debtor's indigent status.

29. Misrepresentation

- (1) Debtors found to have misrepresented themselves in order to benefit from the City's indigent relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Council from time to time, and the City Manager will–
 - (a) reverse all benefits and relief received; and
 - (b) raise any fee, as determined by Council from time to time, as set out in the Tariff Policy.
- (2) Any person who has received any benefit or relief in terms of this policy and who has misrepresented themselves in order to qualify for such benefit or relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Council from time to time, and the City Manager will–
 - (a) reverse all benefits and relief received; and
 - (b) raise any fee, as determined by Council from time to time, as set out in the Tariff Policy.
- (3) The City Manager shall report any misrepresentation in terms of this policy to the South African Police Services.



CHAPTER 5: PROPERTY MANAGEMENT

30. General principles

Definition:

- (1) In this Chapter “**income**” means income as stipulated in Chapter 1 and applies but where reference is made to the owner, it includes the lessee.

Property Management Portfolio and tenanting allocation strategy

- (2) The PM Portfolio is market value driven; and
 - (a) any councillor or staff member, who enters into a lease agreement, with the City, in their personal capacity, shall agree to sign a stop order, on their respective remuneration or salary, in favour of the City, for the agreed rental and all charges relating to the lease.
- (3) The tenanting process of vacant residential properties is geared at speedy turnaround times due to the cost implication of securing the vacant houses. Criteria such as affordability and fit are considered when selecting potential tenants;

Consolidated debt

- (4) In terms of this policy, separate accounts of a person liable for payment to the City, are to be consolidated, regardless of the fact that separate accounts for such debtor may be rendered, and includes all pre-paid services for which no account is rendered and as such in conjunction with debt management action already taken, electricity may be disconnected and/or (in the case of residential properties) water restricted to trickle feed for non-payment of rental arrears.

Interest

- (5) Interest may be charged on all overdue accounts at an interest rate equal to the prime rate which will be adjusted quarterly to the prevailing rate on the last date of the quarter.
- (6) Where applicable interest charges on arrears will be frozen subject to the debt arrangement being honoured.



Debt arrangements

- (7) A debt arrangement requires the payment of one month/annual rental (whichever is applicable) when the agreement is signed and the current monthly/annual charges plus a mutually agreed amount towards the arrears each following month, plus, where applicable, legal and other fees incurred to date; and
 - (a) the debt arrangement will be valid for a period of 12 (twelve) months (or the remaining period of the tenure whichever is the shortest), where after such arrangement shall cease and the debtor shall be required to enter into a new arrangement for the remainder of the debt;
 - (i) failure to enter into a new arrangement after the expiry of the 12 (twelve) months referred to in sub-item (7) (a) shall result in the debt becoming due and payable forthwith and all the credit control and debt collection measures as contained in this policy may be enforced;
 - (b) if a debt arrangement is not honoured, the debt collection process or legal action will resume from the debt stage at which it was suspended;
 - (c) a debtor who defaults on arrangements made may not be allowed to enter into an arrangement after defaulting for the third time; and
 - (d) such debtor will proceed in the debt management process unless all arrears are paid in full.
- (8) *Deleted*
Recovery of costs
- (9) The City Manager may recover from the debtor, all costs in instances where such costs are incurred by or on behalf of the City, including;
 - (a) cost and administration fees, where presented payments are dishonoured, e.g. R/D cheques;
 - (b) legal and administration costs, including attorney and client costs, and tracing fees incurred in the recovery of debts; and
 - (c) any collection commission/charges.
- (10) All charges are payable on demand.
- (11) No response to first demand for payment may lead to a restriction and/or disconnection of the water and/or electricity or any other supply for that property.
- (12) Departures from the above principles may only be made by the City Manager where there are sound practical reasons which shall be recorded in writing.



Minimum Payments

- (13) The following minimum payments added to legal costs are required from the debtor prior to stopping the debt management and legal processes:

On signing a debt rescheduling arrangement	1 X	total monthly/annual property management charge (as per lease agreement)
Following the service of a summons	2 X	total monthly/annual property management charge (as per lease agreement)
Where judgement has been granted	3 X	total monthly/annual property management charge (as per lease agreement)
On day of eviction	12 X	total monthly/annual property management charge (as per lease agreement)

- a) in each case the payment will be limited to the lesser of the outstanding balance or the amount calculated above; and
- b) the City Manager may use discretion in terms of the amount payable where the tenant is found to be indigent in terms of the provisions of the Property Management Indigent Grant.

There will be no reinstatement after eviction.

Attachment of goods

- (14) The City Manager may attain a court order and attach the personal possessions of a debtor which may be auctioned in order to recover any debt owed by the debtor.

Suspension of dunning due to infirmity

- (15) The City Manager may approve suspending the property management dunning procedure for a period not exceeding six months in instances where the contracted party is severely physically or mentally infirm.



Disconnection of supply of services for debt

- (16) The supply of any service to the property may be restricted, disconnected or discontinued in terms of section 9 and 10 of the Credit Control and Debt Collection By-law
- (17) Items 11, 12 and 13 found in Chapter 2, the whole of Chapter 4, item 37 of Chapter 6 and the whole of Chapter 8 do not relate to property management under this policy.
- (18) When purchasing electricity units, the City Manager may deduct a percentage of the monetary value towards settling any arrears. This action will be by prior notification to such debtor and shall remain unchanged unless by default.
- (19) Where rental escalation clauses, contained in current and tacit leases, have not been implemented, for whatever reason, the City may –
 - (a) align the current rental, to the escalated rental agreed to in the lease agreement, as if the escalations were effected;
 - (b) back date such rental by no more than 12 (twelve) months; and
 - (c) agree to such amounts being settled by way of a debt arrangement.

31. Debt Management process

- (1) The debt collection process begins when a lessee falls into arrears in respect of the current charges.
- (2) If payment is not received, a notice requesting payment and offering the debtor an opportunity to make an arrangement within 30 (thirty) days, from the date of the letter, is sent to the defaulting debtor.
- (3) Failure by the debtor to respond to notice within the 30 (thirty) day period will automatically result in the institution of legal and related proceedings with a letter of demand, demanding payment within a stipulated period.
- (4) If the debtor fails to respond within the stipulated period, summons will be issued.
- (5) Failure to respond to the summons will result in the City making an application to court for default judgement including a standard instruction that the Writ of Execution be issued and, if applicable, a financial enquiry lodged.
- (6) Once all remedies to recover debt have been exhausted, eviction proceedings will commence.



32. Indigent relief

- (1) The Property Management portfolio is market value driven and debtors who are no longer able to afford the rental are required to seek alternative accommodation within the period that the indigent grant is valid.
- (2) The indigent relief in this policy will thus be applied to indigent households once only and no re-applications will be considered.
- (3) Indigent Relief for Property Management debtors shall be applied as follows:
 - (a) Where the joint income of a Property Management debtor and spouse or partner does not exceed R4 500.00 per month, such debtor shall be deemed to be indigent;
 - (b) where a Property Management debtor has applied for and been granted an indigent grant, all debt related to that property for that debtor up to the date of granting of indigent status will be written back. Such write back will occur only once for any debtor, thereby allowing for a once off rehabilitation;
 - (c) an indigent debtor will, where applicable, have any credit meter for water at the premises replaced with a water management device or any prepayment water meter; and
 - (i) the Water Department will be notified regarding the required installation of such water management device and will be responsible for the installation thereof; and
 - (d) an indigent debtor will have any credit meter for electricity at the premises replaced with an electricity dispensing unit (EDU); and
 - (i) the Electricity Department and the maintenance section of the Property Management Department will be notified regarding the required installation of the EDU and will be responsible for the installation thereof; and
 - (e) failure by an indigent debtor to pay the amount due within a review period of 2 (two) months will lead to the indigent grant being cancelled; where after the debtor will immediately be subject to the property management debt management policy;
 - (f) the indigent grant will be valid for a period of 12 (twelve) months;
 - (g) should it be discovered that there were any purposeful omissions by the applicant with respect to the indigent grant application which result in the applicant not complying with the indigent grant requirements, the grant will be cancelled and reversed to the date of application;
 - (h) any debtor who fails to pay the indigent rental regularly and on time, will cause the indigent grant to be cancelled; and
 - (i) the indigent rental will be calculated according to the following table:



INCOME	PERCENTAGE OF INCOME PAYABLE	MINIMUM ARRANGEMENT AMOUNT
R0 to R2 000	5 % with a minimum rental of R10	R15
R2 001 to R3 500	8%	R25
R3 501 to R4 500.00	10%	R40

For the purpose of income the cents value is disregarded except that the maximum income permissible is capped at R4 500.00.

- (j) all new applicants who apply and are registered as indigent on or after 1 July 2017, who are 60 years of age and older, in terms of item 19 of this policy, will have their indigent grant remain valid for 3 years or up to the termination date of the lease, whichever date is the earlier; and
- (i) subject to sub-item 28 (3) and (4) no restriction, disconnection or discontinuation of any service or legal action will be instituted against any debtor for the duration of the approved indigent grant period; and
 - (ii) notwithstanding sub-item (j) (1), services may be limited, if deemed necessary, by the City Manager.



CHAPTER 6: CREDITS, REFUNDS AND TRANSFERS

33. Credit

- (1) In this chapter any reference to the word 'refund' includes the word 'transfer' unless the context indicates otherwise.
- (2) The City Manager shall have the right to claim any credits due to the City or any of its predecessors-in-law.
- (3) No interest shall be paid in respect of any credit on any account unless permitted in terms of any other legislation, policy or as determined by Council from time to time.

34. Requests for refunds or transfers

- (1) All requests for refunds or transfers must be in writing; and
 - (a) the City Manager shall only refund or transfer credit amounts in terms of this Chapter.
- (2) A "Request for Refund Form" must be completed, or dictated to an official who will record it in writing and have it read, and if necessary, corrected, and
 - (a) all the applicable supporting documentation must be supplied; and
 - (b) the form must be signed by the person requesting the refund.
- (3) The form must then immediately be lodged with the relevant authorised official.
- (4) Consideration for a refund or transfer will only be given where credits appear on the account.
- (5) Refunds will only be made:
 - (a) To an account holder; or
 - (b) notwithstanding anything else to the contrary contained in this policy, to the conveyancer, of the relevant property, after registration of transfer in the Deeds Office.
- (6) Notwithstanding sub-items (4), (5) and (7) any payment made on an account by a third party will only be considered for a refund or transferred, by the City Manager, to such third party, after the latter submits proof of the payment and such refund or transfer will be subject to any law and policy of the City.



By the claimant

- (a) The claimant will be required to produce the original proof of the payment which includes but does not limit same to any of the following:
- (i) original receipt;
 - (ii) proof of payment method;
 - (iii) original cheque as processed by the bank, if applicable;
 - (iv) affidavit in support of the refund or transfer; and
 - (v) proof of the account intended to be paid, if applicable.

By the City

- (b) Before making any refund or transfer the City Manager may –
- (i) try to establish the whereabouts of the accountholder and thereafter;
 - (ii) write to such accountholder, at the last known or established address, giving such accountholder 14 (fourteen) days to show cause why such refund or transfer should not be proceeded with; and
 - (iii) no refund or transfer shall take place until any objection to the refund or transfer by the accountholder, as referred to in sub-item (ii), has been resolved to the satisfaction of the City; and
 - (iv) the City Manager shall notify both the claimant and the account holder, of any final decision to either:
 - (aa) Proceed with the refund or transfer; or
 - (bb) to reject the request for the refund or transfer.

By the Accountholder

- (c) Any accountholder objecting to such refund or transfer must comply with the following:
- (i) Submit such objection in writing showing cause as to why the refund or transfer should not take place; and
 - (ii) may be required to submit such objection in the form of an affidavit.
- (7) Except for refunds in terms of section 55, of the Property Rates Act, where there are two or more account holders all of the accountholders must complete and sign the “Request for Refund or Transfer Form” as per sub-item (2).



35. Deceased estates, insolvent estates, judicial management and curatorship

Deceased estates

- (1) Refunds and requests for transfers will only be considered upon receipt of the duly completed form referred to in item 34, signed by a duly appointed executor or executrix, and such application shall be subject to relevant conditions contained in item 34; and
 - (a) refunds will only be made payable to the deceased estate's bank account.
- (2) Notwithstanding sub-item (1) if an estate is wound up in terms of section 18 (3) of the Administration of Estates Act, then such refund or transfer can be made as per the directions as given by the Master by applying the same or similar principle; and
 - (a) the Masters direction as referred to in sub-item (2) must be attached to the request for the refund or transfer.

Insolvent estates including any entity in the process of liquidation

- (3) Refunds and requests for transfers will only be considered upon receipt of the duly completed form referred to in item 34, signed by a duly appointed trustee or liquidator, and such application shall be subject to relevant conditions contained in item 34; and
 - (a) refunds will only be made payable to the bank account of either the insolvent or an entity in liquidation; or
 - (b) to an unrehabilitated insolvent; or
 - (c) notwithstanding anything else to the contrary contained herein to any nominee, subject to the conditions contained in this policy.
- (4) Despite anything to the contrary contained in this policy the right to offset any debt against any credit is subject to the Insolvency Act.

Judicial management

- (5) Refunds and requests for transfers will only be considered upon receipt of the duly completed form referred to in item 34, signed by a duly appointed judicial manager, and such application shall be subject to relevant conditions contained in item 34; and
 - (a) refunds will only be made payable to the bank account of a company which has been placed under judicial management.



- (6) Despite anything to the contrary contained in this policy the right to offset any debt against any credit is subject to the Insolvency Act.

Curatorship

- (7) Refunds and requests for transfers will only be considered upon receipt of the duly completed form referred to in item 34, signed by a duly appointed curator, and such application shall be subject to relevant conditions contained in item 34; and
 - (a) refunds will only be made payable to the bank account of a person under curatorship.

36. Refunds and transfers generally

- (1) Subject to sub-item (2) refunds shall take the form of electronic bank transfers only unless catered for elsewhere in law or any of the applicable policies of the City.
- (2) Subject to sub-item (3) the City Manager shall have the right to offset any credit against any debt of the same debtor.
 - (a) Notwithstanding sub-item (2) the amount referred to in item 24 (2) shall not be offset except as provided for in item 24 (3).
- (3) The right to offset any debt against any credit is subject to the Insolvency Act, or any court order prohibiting such set-off.
- (4) In the case of a refund or transfer to a partnership no set-off against any debt of the individual partner may take place; but
 - (a) any credit due to a partner may be offset against the debt of a partnership.

37. Clearance certificates

- (1) Any refund provided as a result item 12 (6) shall be refunded in terms of that sub-item as read with this Chapter.
- (2) Any payment for a clearance certificate, which results in a credit on the sellers account, shall be refunded, in the first instance, to the relevant conveyer, or failing such conveyancer, to such seller, after registration, and after finalisation, to the satisfaction of the City Manager, of the respective account.



- (3) Where a sale does not result in registration taking place no refund shall be made, unless there is a credit on the account, and such refund shall be limited to the total of the amount in credit which shall not exceed the credit placed to the account in order to obtain the clearance certificate.
- (4) The sheriff of the court who sold the property shall be the seller when a property has been sold in execution.
- (5) A duly completed 'Request for Refund Form' may accompany any application for a clearance certificate.

38. Nominees

- (1) The City Manager has the right, subject to any applicable legislation, to offset any of the nominee's debt against any credit to be refunded to such nominees banking account.
- (2) Notwithstanding sub-item (3) no refund will be made to a nominee where the account holder is a juristic person except where a director, member or trustee can prove that they paid the juristic person's account out of their own personal bank account and that all the required proof and relevant documents are submitted.
- (3) Subject to sub-item (1) and (2) and notwithstanding anything else contained in this policy, refunds may be made to a nominees banking account.



CHAPTER 7: MISCELLANEOUS

39. Right of access to property

- (1) In terms of section 101, of the Systems Act and the registered owner or occupier of any premises in the City must give an official of the City or any representative of a service provider, who is authorised by the City Manager, access at all reasonable hours to the premises in order to inspect the premises, read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict or discontinue the provision of any service.
- (2) Where access has been denied to a property or where it is found that officials are unable to gain reasonable access the City Manager may, having given fourteen days' due notice, install a water management device and any prepayment meter at the property, at the owners cost.
- (3) Where access has been denied to a property, including properties classified as indigent or where it is found that officials are unable to gain reasonable access the City Manager may, having given fourteen days due notice, disconnect, stop or restrict or discontinue the provision of any service, at the cost of the owner

40. Compromising or compounding any action, claim or proceedings

- (1) In terms of section 109 of the Systems Act the City Manager may compromise or compound any action, claim and proceedings where applicable.
- (2) Sub-item (1) is not applicable to rates except as provided for in section 26 (3) of the Property Rates Act.

41. Review of this Policy

- (1) This policy must be reviewed annually as part of the budget process or more frequently if required.
- (2) Changes in legislation must be taken into account for future amendments to this policy.
- (3) Any amendments to this policy must be submitted to Council for approval.



CHAPTER 8: OTHER COLLECTION PROCEDURES

42. Failure to pay debt by due date

- (1) Should any debtor fail to pay any debt, referred to in section 118 (3), of the Systems Act, by due date the City Manager may, serve a notice in terms of section 115 of the Systems Act, –
 - (a) on the debtor, and
 - (b) on the property,

calling upon such debtor to pay such debt within 30 (thirty) days of such notice.

43. Content of notice

- (1) The notices referred to in item 42 shall state that should any debt not be settled within 30 (thirty) days of such notice, application will be made to court for an order for the sale of the debtor's property for the outstanding debt plus any additional debt incurred in the application of this Chapter.

44. Address for delivery of notifications

- (1) Any debtor may notify the City Manager of an address within the Republic to which any notice referred to in sub-item 42 (1) (a) may be sent; and
 - (a) any address given in terms of sub-item (1) may be amended by a debtor by notifying the City Manager in writing of the change thereof; and
 - (i) such amended address shall take effect when a written acknowledgement of such address is dispatched by the City Manager to the debtor.
 - (b) the onus shall be on the debtor to ensure that such debtor receives a written acknowledgement of such amended address;
 - (c) the amended address shall be deemed for all purposes to be the address where all notices in terms of this Chapter may be served to the exclusion of any address previously notified;
 - (d) shall state either the property account number or numbers of each applicable account; and
 - (i) the full description of the property;
 - (ii) the physical address of the property; and
 - (iii) the full name of the registered owner.



45. Procedures to be followed for debt

- (1) Should any debt referred to in item 42, remain unpaid after the final date for the payment thereof, such debt may be recovered in the manner set forth in this Chapter.
- (2) The City Manager shall cause a further notice to be served, in terms of section 115 of the Systems Act, advising that an application shall be made to Court, after the lapsing of 14 (fourteen) days from dispatch of this notice, for an Order for the sale of the debtor's property for the outstanding debt plus any additional debt incurred in the application of this Chapter.
- (3) If after giving notification in terms of items 42 and sub-item 45 (2) hereof, and such debt remains outstanding, a court of competent jurisdiction, upon the application by the City, showing
 - (a) the amount of debt not paid; and
 - (b) the notices provided for in items 42 and 45 (2) has been given,

shall be requested to summarily order any such property against which the debt is owing to be sold by way of public auction, subject to the conditions contained in sub-items (4), (5) and (6) hereof, which order the court shall have the right to grant.

- (4) The order shall give the power for the proceeds of the public auction to be paid into court and direct that payment be made to the City, from these proceeds; of
 - (a) all debt outstanding; and
 - (b) all costs incurred by the City in respect of the application made in terms of this Chapter;

in preference to any bondholder in terms of section 118 (3) of the Systems Act.

- (5) Upon the court order as set out in sub-items (3) and (4) hereof the City shall have the right to have the property or any part thereof, as the case may be, sold in accordance with the court's order without the necessity of issuing a writ or other process of court for that purpose, except as provided for in sub-item (6), provided that in all other respects any such sale shall be deemed to be a sale of immovable property in execution of the judgment of such court, save that it shall not be necessary to notify or consult the debtor, against which the amount is owing, with regards to the sale or the conditions of the sale.
- (6) Prior to applying for a date of sale of any property in terms of this Chapter, or the court order, the City Manager shall –
 - (a) post a notice on the official notice board of the City for a period of a least 30 (thirty) days;



- (b) publish such notice in at least three newspapers circulating in the area in which the property is situated; and
 - (c) serve a notice to this effect on the debtor.
- (7) The notice referred to in sub-item 45 (6) (a) may be in the form of a schedule and shall contain at least the following information:
 - (a) The name of the owner;
 - (b) the full physical address of the property;
 - (c) the amount outstanding;
 - (d) that the debtor has a right to settle the debt before the expiration of the notice;
 - (e) that the property may be sold in terms of the court order granted in terms of this Chapter should the debt remain outstanding after the expiry of the said notice; and
 - (f) any other information which the City Manager deems necessary.
- (8) The notice referred to in sub-item 45 (6) (b) shall contain at least the following information:
 - (a) The name of the registered owner;
 - (b) the full physical address of the property;
 - (c) the amount outstanding;
 - (d) that the debtor has a right to settle the debt before the expiration of the notice;
 - (e) advising that application shall be made to the sheriff of the court for a sale date after the expiry of the notice; and
 - (f) any other information which the City Manager deems necessary.
- (9) If before the sale of any such property in terms of any court order there is produced to the sheriff or any other person charged with the sale thereof a certificate from the City Manager that all the amounts due have been fully paid, the said property shall be withdrawn from the sale.
- (10) Notwithstanding that all the said amounts may have been paid before the said sale the City shall not be liable to any person whatsoever for any loss or damage suffered by such person by reason of the sale of any such property in respect of which no such certificates have been produced to the said sheriff or person in charge.
- (11) If any property is sold pursuant to a court order referred to in this Chapter notwithstanding the fact that all amounts due have in fact been paid; and
 - (a) if the City Manager, within three months of the sale, is satisfied that the said amounts had been paid at the date of the sale, the City Manager shall, if transfer of the property to the purchaser has not yet been registered, declare the sale null and void;



- (b) the declaration referred to in sub-item (11) (a) hereof shall be by way of written notice signed by the City Manager and a copy thereof shall be served on the registered owner, in terms of section 115 of the Systems Act, and on the purchaser, at the address supplied in the conditions of purchase, and shall be transmitted forthwith to the Registrar of Deeds.
 - (c) upon signature of the said declaration the sale shall be null and void and in that event the purchase price shall be refunded to the purchaser;
 - (d) the registered owner shall be liable for all the expenses of the sale and all expenses incurred pursuant to the sale save any expenses incurred after production, if any, of the certificate referred to in sub-item (9) hereof, to the sheriff or any other person charged with the sale; and
 - (e) if no such certificate has been signed by the City Manager in accordance with sub-item (9) hereof the sale shall be of full force and effect.
- (12) Nothing contained in this Chapter prevents the City from taking any other proceedings for the recovery of debt as set out in this policy, any relevant legislation, or any other competent procedure in any court of competent jurisdiction.

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