

**11.  
COVID-19 FINANCIAL RELIEF ARRANGEMENTS****5/B****S Reyneke-Naude  
17 July 2020****Director : Finance****(028) 313 8040**

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**1. Executive Summary**

The purpose of the report is to present council with recommendations for further financial relief arrangements due to the impact of the national state of disaster and subsequent lockdown to

- 1) temporary extend the last date on which applications may be received from retired and disabled persons for special rebates;
- 2) lengthen the extended terms of payment agreements in terms of the Overstrand Customer Care, Credit Control and Debt Collection Policy; and
- 3) temporary exemption of SMS Admin Fees for arrear accounts notices, 14 Day Admin fee on arrear accounts and Admin Fee on 24 hour notices – Bulk Users

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Directorate: Finance  
Department: Finance

**3. Compliance with Strategic Priorities**

Provision of democratic, accountable and ethical governance  
Provision and maintenance of municipal services

**4. Delegated Authority**

None

**5. Legal Requirements**

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)  
Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)  
Customer Care, Credit Control & Debt Collection Policy  
Property Rates Policy

## 6. Background/Discussion/Evaluation/Conclusion

### TEMPORARY EXTENSION OF THE LAST DATE ON WHICH APPLICATIONS FOR SPECIAL REBATES MAY BE RECEIVED FROM RATE PAYERS

Paragraph 7 of the Property Rates Policy reads as follows:

- “a. All applications referred to in this policy must be received by the Municipality before the start of the financial year to which it refers. The Municipality may allow late receipts of such applications but not after 30 September of the financial year;”*

The COVID-19 pandemic currently has an unplanned and severe impact on the ability of our pensioned and disabled ratepayers to access normal mail (postal services) and to obtain all the required documents for the application of special rebates on property rates.

The proposed extension of the last date on which applications may be received to 30 November 2020 will give our ratepayers a longer timeframe in which to acquire and compile the necessary documentation to qualify for property rates rebates.

It is thus recommended to Council that the last receipt date for applications as per Section 7 of the Property Rates Policy be temporarily extended from 30 September 2020 to 30 November 2020 to afford ratepayers more time to acquire and submit the necessary documentation required for the approval of these applications.

### LENGTHENING OF THE EXTENDED TERMS OF PAYMENT AGREEMENTS IN TERMS OF THE OVERSTRAND CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION

The Executive Mayor, Ald D Coetzee, submitted a motion of exigency in terms of Rule 28 of the Rules of Order for Internal Arrangements during the Council meeting on 25 March 2020, for approval by Council of special arrangements to be instituted regarding businesses and residents who will not be able to pay their municipal accounts during the lockdown period which was announced by the President to combat the spread of the Covid-19 virus.

The Council furthermore resolved on 27 May 2020 as follows:

- “1. that the period for businesses who find themselves under financial stress and cannot pay their accounts due, be extended to include accounts for May 2020 and June 2020 respectively, and that they may enter into an extended term of payment agreement in terms of the Overstrand Customer Care, Credit Control and Debt Collection Policy

in order for their payments of the said amounts to be done in equal payments over a six-month period without the payment of a deposit;

2. that the period for residential customers who find themselves under financial stress and cannot pay their accounts due, be extended to include accounts for May 2020 and June 2020 respectively, and that they may enter into an extended term of payment agreement in terms of the Overstrand Customer Care, Credit Control and Debt Collection Policy in order for their payments of the said amounts to be done over a period of 12 (twelve) months without the payment of a deposit;"

The Minister of Cooperative Governance and Traditional Affairs, as designated under Section 3 of the Disaster Management Act, 2002 (Act No. 57 of 2002), further extended the national state of disaster (originally declared on 15 March 2020) by Government Notice 313, published in Government Gazette 43096, to 15 August 2020, in taking into account the need to continue augmenting the existing legislation and contingency arrangements undertaken by organs of state to address the impact of the disaster.

**It is thus also now recommended that Council extend the terms for payment agreements once more** in view of the severe and prolonged impact of the CPVID-19 pandemic on these businesses and municipal account holders in extending the period for Businesses and Residential Customers as follows:

1. that the period for businesses who find themselves under financial stress and cannot pay their accounts due, be extended to include accounts for July 2020 and August 2020 respectively, and that they may enter into an extended term of payment agreement in terms of the Overstrand Customer Care, Credit Control and Debt Collection Policy in order for their payments of the said amounts to be done in equal payments over a six-month period without the payment of a deposit;
2. that the period for residential customers who find themselves under financial stress and cannot pay their accounts due, be extended to include accounts for July 2020 and August 2020 respectively, and that they may enter into an extended term of payment agreement in terms of the Overstrand Customer Care, Credit Control and Debt Collection Policy in order for their payments of the said amounts to be done over a period of 12 (twelve) months without the payment of a deposit;

#### **TEMPORARY EXEMPTION: ADMIN FEE ON AREAR ACCOUNTS**

The Customer Care, Credit Control & Debt Collection Policy prescribes the admin fees as approved by Council, payable in the following instances:

- SMS Notice Admin Fee on arrear accounts (R25 Vat Incl);
- 14 Days Notice Admin Fee on arrear accounts (R363 Vat Incl); and

- 24 Hour notice on arrear accounts Admin Fee for Bulk Users (R363 Vat Incl).

It is now also recommended that Council waive the payment of these fees for all notices given on arrear accounts during July 2020 and August 2020 respectively.

## **7. Financial Implications**

A loss in revenue in instances of notices issued, as follows:

- SMS Notice Admin Fee on arrear accounts (R25 Vat Incl);
- 14 Days Notice Admin Fee on arrear accounts (R363 Vat Incl); and
- 24 Hour notice on arrear accounts Admin Fee for Bulk Users (R363 Vat Incl).

## **8. Staff Implications**

N/A

## **9. Comments from other Departments, Divisions and Administrations**

None

## **10. Annexures**

None

## **RECOMMENDATION TO THE COUNCIL:**

1. that the last receipt date for applications for rebates as per Section 7 of the Property Rates Policy, be temporarily extended from 30 September 2020 to 30 November 2020 to afford ratepayers more time to acquire and submit the necessary documentation required for the approval of applications;
2. that the period for businesses who find themselves under financial stress and cannot pay their accounts due, be extended to include accounts for July 2020 and August 2020 respectively, and that they may enter into an extended term of payment agreement in terms of the Overstrand Customer Care, Credit Control and Debt Collection Policy in order for their payments of the said amounts to be done in equal payments over a six-month period without the payment of a deposit;

3. that the period for residential customers who find themselves under financial stress and cannot pay their accounts due, be extended to include accounts for July 2020 and August 2020 respectively, and that they may enter into an extended term of payment agreement in terms of the Overstrand Customer Care, Credit Control and Debt Collection Policy in order for their payments of the said amounts to be done over a period of 12 (twelve) months without the payment of a deposit; and
4. that payment of the following fees for all notices given on arrear accounts during July 2020 and August 2020 respectively, be waived:

Tariff Code	Detail	2020/2021	
		Exclude VAT	Include VAT 15%
		R	R
<b>S20</b>	<b>CREDIT CONTROL AND DEBT COLLECTION</b>		
S20A1	Admin fee on arrear accounts Notices	315,65	363,00
S20A2	Admin fee on 24 hour Notices - Bulk users	315,65	363,00
S20C	SMS admin fee on arrear accounts Notices	21,74	25,00

**RESPONSIBLE OFFICIAL :**

**E HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**31 AUGUST 2020**