

**MATATIELE LOCAL
MUNICIPALITY**



MATATIELE
LOCAL MUNICIPALITY

**STRATEGY TO IMPROVE
DEBTOR POLICY**

NO 30 OF 2019/20
CR 683/30/05/2019

DR.DCT NAKIN
MUNICIPAL MANAGER

CLLR. MM MBEDLA
MAYOR

Authority	Date
HOD Approval	
MM Approval	
Council Approval	
Date of next Review	

Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
 - Municipal Council.
-

INDEX

	<u>Page</u>
<u>PART 1:</u> BACKGROUND 2	
<u>PART 2:</u> PRINCIPLES	2
2.1 Capacity and Direction	2
2.2 Internal Processes	2
2.1.1 Organisational Management	
2.2.2 Technical Management	
2.3 Customer Care	3
2.4 Financial Performance	3
<u>PART 3:</u> RECOMMENDATIONS 3	
<u>PART 4:</u> CONCLUSION 4	

1. BACKGROUND

The demands on the municipality to deliver services within its powers and functions underline the urgency to recover the cost of delivery wherever possible, to ensure continuity and expansion of service delivery to the inhabitants within its area of jurisdiction.

2. PRINCIPLES

The basic foundation to improve the recovery of Service delivery costs rests on four principles:

2.1 Capacity and Direction

This is built on the mission, vision, culture and leadership of the municipality and will require clearly defined Strategic Plans and Business plans for service delivery, adequate skilled staff, definition of Powers, Functions, Roles and Responsibilities within the municipality, and co-operation of Strategic partners and outsourcing where required.

2.2 Internal Processes

This is divided into Organisational management and Technical management:

2.2.1 Organisational Management

The efficiency of the municipality is reliant on the Organisational design, Policies and Procedures, sound Administration and Financial Management, and reliable Information Technology systems.

2.2.2 Technical Management

The delivery of services is reliant on the Facilities, Equipment, Vehicles and Tools, Technical losses, management and Metering optimisation.

2.3 Customer Care

This is how consumers perceive the Municipality and its services. Satisfaction can only be achieved through proper community education and involvement, ~~good relationships with all stakeholders, efficient complaints handling and a~~ fair and reliable system of billing.

2.4 Financial Performance

The application of the above processes in the day to day activities of the municipality will facilitate customer satisfaction, leading to more users of existing services, improved payment, maximum use of existing assets and resources, and a cost reduction of service delivery.

3. RECOMMENDATIONS

The strategies to be employed, with due cognisance of the Principles outlined above, can include the following:

- 3.1 Increase communication to the community, particularly regarding Credit control, Tampering of meters and payment for services, through leaflets attached to municipal accounts, newspaper articles and radio talk shows;
- 3.2 Frontline staff communication must be improved through training, especially where certain credit control and customer care functions overlap.
- 3.3 Address staff shortages in the Debtors managements section:
- 3.4 Perform a Debtors data cleaning exercise, and ensure that validating thereof is performed on a regular basis;
- 3.5 Create a culture of quick feedback to the system to constantly improve the quality of data in the Debtors database;
- 3.6 Remove inactive debtors from the system;

-
- 3.7 Allow for regular strategic and critical analysis of debtors, with specific focus on service and area;
 - 3.8 Implement a system of rewards for payment of accounts by debtors (as envisaged in the Debt Collection Policy);
 - 3.9 Investigate incentives to debt collecting agents, and staff tasked with the collection of debt, to improve their performance;
 - 3.10 Investigate a system of sweat equity that will enable the indigent and unemployed to “pay” for services rendered by the municipality;
 - 3.11 Define the role and responsibilities of the Ward system, and the capacitation required to assist in Debt Collection; and
 - 3.12 Co-operate with schools in the area to disseminate information to children regarding municipal service delivery and the recovery of the costs thereof.

4. CONCLUSION

The municipality should ensure the highest possible quality of service that is fair and equitable to all its residents, at the lowest cost, with the most economical use and allocation of resources, to ensure customer satisfaction.

The willingness to pay will also be enhanced through communication and the creation of an enabling environment for residents to participate in the affairs of the municipality.

MATATIELE LOCAL MUNICIPALITY



MATATIELE
LOCAL MUNICIPALITY

SPECIAL SERVICES TARIFF POLICY

NO 30 OF 2019/20
CR 683/30/05/2019

DR. DCT NAKIN
MUNICIPAL MANAGER

CLLR. MM MBEDLA
MAYOR

Authority	Date
HOD Approval	
MM Approval	
Council Approval	
Date of next Review	

Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
- Municipal Council.

INDEX

	<u>Page</u>
<u>PART 1</u> : OBJECTIVE	3
<u>PART 2</u> : PRINCIPLES	3
<u>PART 3</u> : GUIDELINES	3
<u>PART 4</u> : DISQUALIFICATION	4

1. OBJECTIVE

The objective of the policy is to define the guidelines to be utilised regarding the reduction of tariffs for municipal services to qualifying institutions.

2. PRINCIPLES

The intent is to offer services to Non-profit organizations at reduced cost. Organizations will only qualify for the reduced tariffs if their main function is the provision of social services to the community within the municipal jurisdiction, and will exclude all national organizations operating within the area.

3. GUIDELINES

Reduced tariffs will only apply to institutions subject to the following conditions:

- 3.1. Written application be made to the municipality on an annual basis for the special tariffs to apply to the institution for a specific municipal financial year;
- 3.2. The application be supported by the following documentation:
 - 3.2.1. Certified copy of the Constitution of the institution;
 - 3.2.2. Certified copies of the financial statements of the institution for the previous three (3) years prior to the date of application (or such shorter period since establishment),
 - 3.2.3. A certificate by an accountant registered with a recognised control body regarding the estimated turnover of the institution, in the case of a newly established institution, and
 - 3.2.4. A listing of the membership of the institution at the time of the application (as appropriate).
- 3.3. Approval by the Municipal Manager, in consultation with the Chief Financial Officer, based on the qualifying criteria outlined in the principles above, as ascertained from the documentation submitted.

4. DISQUALIFICATION

Should the institution at any stage operate outside the qualifying criteria, as stated above, or fail to apply for special tariffs at the beginning of a municipal financial year, it will be disqualified from receiving the special tariffs.
