

UMUZIWABANTU MUNICIPALITY



**INDIGENT SUPPORT
POLICY**

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1. DEFINITIONS

In this Indigent Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act No. 56 of 2003 and other related legislations/Regulations, has the same meaning as in that Act.

“Council” means the uMuziwabantu Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to these bylaws;

“Child headed household” refers to a household where both parents are deceased and where all occupants of the property are children of the deceased and all are under the legal age to contract for services and are considered as minors in law by the state;

“consumption” means the ordinary use of municipal services, including water, sanitation, refuse removal, and electricity services for domestic or household purposes;

“free basic water” means the maximum amount, volume or consumption of water determined by resolution of the Council from time to time that will be provided free of charge as reflected in the Council’s Tariffs;

“Indigents” means owners and/or occupiers of residential property where the combined municipal value of the land and buildings or the vacant land value of such property is equal to, or less than, the values determined by resolution of the Council;

“Application for indigent” means a resident in charge of a household and who is responsible for payment of municipal charges and whose combined household income is equal to or less than the amount as determined by the Council to qualify for indigent status and has made application to the Council and is accepted to be classified as an indigent;

“municipal value” means the total combined value of land and buildings on a property, as reflected in the municipal valuation roll;

“municipal services” means electricity, water, sanitation and refuse removal services provided by the municipality;

“**rates**” means property rates on property in the municipality; any other tax, duty or levy imposed by the municipality;

“**refuse charge**” means the monthly charge levied by the municipality for the removal of solid domestic waste;

“**owner**” means the person in whom from time to time is vested the legal title to the property.

2. Objective

2.1. The objective of the Indigent Support Policy is to ensure the following:

- (a) The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- (b) To provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using the Council's budgetary provisions received from Central Government, according to prescribed policy guidelines.

2.2. The Council also recognises that many of the residents can simply not afford the cost of full provision and for this reason the Council will endeavour to ensure affordability through:

- (a) Settings tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery; and
- (b) Determining appropriate service levels.

3. Responsibility/Accountability

3.1. The Council has the overall responsibility for laying down the Indigent Support Policy.

4. Indigent Support Policy Principles

4.1. The following should be the guiding principles in implementing the Indigent Support Policy:

- (a) The Indigent Support Policy is in accordance with the Local Government Municipal System Act No 32 of 2000, Municipal Property Rate Act no 6 of 2004 and other amending or related legislation.
- (b) Relief will be provided by the Council to registered residential consumers of services.
- (c) The Council must, wherever possible, ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienating any group of households.

There should be no differentiation whatsoever of any residential consumers. It should only differentiate in the level of service rendered.

- (d) The subsidy for minimum service levels should not result in the creation of a complicated administration that would not be cost effective to implement.
- (e) Differentiation must be made between those households that cannot afford to pay for basic services and those who just do not want to pay for these services.
- (f) The payment of services should be affordable to the indigent.
- (g) The Indigent Support Policy will prevail as long as funds are available.
- (h) The Council may review and amend the qualifications for indigent support.
- (i) The collective or joint gross income of all the households will be taken into account. The household income must be correctly reflected on the application form requesting indigent support.
- (j) The account holder or property owner of a household may formally apply on the prescribed application forms for the relief and, once approved, will qualify for the indigent support according to the prescribed criteria/principles laid down by the Council. After the application form has been completed, an effective and efficient evaluation system should be used in order to obtain the outcome within a reasonable time determined by the Council.
- (k) Indigent is to be awarded per household and not per person.
- (l) If a household is found to be indigent, it should be registered on a database linked to the debtors system.
- (m) The onus is on the recipient to inform the Council of any change in his/her status or personal household circumstances.
- (n) All existing indigent applicants should be re-evaluated after a period of one year from date of registration to assess the provision of continued basic services.
- (k) Disciplinary measures decided by the Council, should be imposed on people who misuse the system and provide incorrect information.

- (l) An approved community communications programme, embodying the principles of transparency and fairness, should be implemented in respect of the indigent support programme.
- (m) A register for Indigents is to be maintained by the municipality.
- (n) Any other principle decided by the Council.

5. Criteria for Qualification for Indigent Support

- 5.1. Households whose verified total gross monthly income of all occupants over the age of 18 years that does not exceed the amount determined by council per month i.e. two current monthly social assistance grant payable per person by the Department of Welfare will qualify for assistance on:
 - (i) Refuse charges
 - (ii) Rates
 - (iii) Electricity
 - (iv) Indigent Burial
- 5.2. Indigent support will apply to all households whose total monthly income is less than or equal to the above-mentioned amount, irrespective of the source of income.
- 5.3. Indigent support will not apply in respect of households which own more than one property.
- 5.4. Indigent support will be considered for tenants of council owned properties.
- 5.5. It may happen that even with the introduction of the indigent policy, certain households may fall into arrears in respect of the amounts due by them. The property owner/account holder concerned will have to make immediate arrangements with the Municipal Manager to pay off these arrears owing within a reasonable time determined by the Municipal Manager in terms of the Municipality's credit control & debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided. Services may be terminated in terms of the Municipality's credit control & debt collection policy.
- 5.7. Only registered residential consumers of services delivered by Council may apply.
- 5.8. The Indigent must be full-time occupant of the property concerned to qualify.

- 5.9. Households are to formally apply for relief on the prescribed documentation and satisfy the qualifying criteria/principles determined by the Council before indigent support be provided.

6. Child headed households

- 6.1. In the case of Child Headed Households, where the conditions for services and rates meet the qualification criteria referred to in Section 4, and the household is declared indigent after consultation and approval by the Ward Councillor and where the combined income of all minor children is less than the amount as determined by the Council for such qualification, the household will receive the applicable indigent concessions outlined in Section 5.
- 6.2. The consolidated account may continue in the name of the deceased parent/s until the estate is transferred to the heir or heirs of the estate.
- 6.3. In the case where an executor of the estate is appointed and has jurisdiction over the minor children, the executor would be required to make provision for payment of the consolidated account.

7. Period for Qualification

- 7.1. The period for implementation of the Indigent Policy is to be determined by the Council.

8. Extent of Indigent Support

- 8.1. Households qualifying for indigent support will be required to change over from the conventional (credit) meters to prepayment meters in respect of electricity.
- 8.2. The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.
- 8.3. The extent of the monthly support will be determined by the Council's budgetary provisions and/or the amount subsidised from the Central Government for indigent support.

- 8.4. In respect of electricity, Free 50 Kwh will be given to indigent household; however, should consumption exceed the amount determined by council per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding the amount determined by council.
- 8.5. In respect of charges for household refuse removal, the relief granted shall not be less than a rebate of 100% on the monthly amount billed for the service concerned.
- 8.6. In respect of property rates for indigents, the rebate shall be 100% of the rates based on the rateable value.
- 8.7. The Council will, on an annual basis, assess the level of support depending on the number of applicants.
- 8.8. The level of indigent support shall not exceed the monthly billings to the account.

9. Distribution of the Indigent Support

- 9.1. Relief will only be distributed to those residents who apply and qualify.
- 9.2. The relief must be significant so as to relieve the recipient of the financial hardship for a specific period.
- 9.3. All registered consumers will be charged the determined economical tariff or charge.
- 9.4. The recipient's monthly account will be credited with the amount of indigent as determined by the Council on a monthly basis.
- 9.5. The household may apply for continuation of the relief depending on his/her circumstances.

10. Application for Indigent Support

- 10.1. Applications for relief must be made on the prescribed forms. The applicant must comply with all the necessary requirements.
- 10.2. The application form to contain, *inter alia*, the following important information:

- (i) Details of the account holder;

- (ii) Proof of income;
- (iii) Proof of residence;
- (iv) Signed sworn affidavit,
- (v) Identification documents; and
- (vi) Number and names of dependants.
- (vii) If it a state late property. Letter from the magistrate confirming who the property has been allocated to.

10.3 Failure to comply herewith shall result in the applicant's indigent status being revoked.

10.4. Application for continued indigent support must be made annually before the 15th of June failing which support will be suspended for that year.

10.5. The onus at all times, to re-apply for continued relief or submit proof of change in circumstances, rests on the household.

10.6 The Municipality will provide assistance to persons, who cannot read or write, at the municipal offices. Registration will take place on dates and at times and places determined by the Municipal Council.

11. Control Measures for the Distribution of Indigent Support

11.1. The department of finance will be appointed to administer the indigent support programme.

11.2. The department of finance will scrutinise each application prior to approval.

11.3. Once applications are approved the indigent register will be formed and will be submitted to Council for noting.

- (i) For the purposes of transparency, the indigent register and following key information of the recipient's indigent support should, where possible, be displayed

on the notice board at the cashiering offices of the services are rendered to the recipients;

- (ii) Total household income; and
- (iii) Number of dependants residing on the property.

11.4. Any resident may query the qualification of a recipient in writing, within 14 days from the date of publication, to the Council.

11.5. Any other measure decided by the Council.

12. Action against Malpractices

12.1. The Council may refer queries to the Finance department for Indigent Support Policy, who may take the following action:

- (i) Request the resident to provide full proof of his/her banking account and income details as well as pension registration;
- (ii) Direct inquiry at the recipient's residence;
- (iii) Request a social welfare worker's report on the household
- (iv) Refuse the person who acted fraudulently by not considering the aforementioned household for indigent relief for a period extending for five (5) years beyond the financial year in which the misdemeanour was detected ; and
- (v) Any other action decided by the Council.

12.2. If it is established that incorrect information was furnished in obtaining relief the following action can be taken:

- (i) Suspend or stop the relief immediately;
- (ii) Recover from the recipient the amount of relief furnished by debiting his account;
- (iii) Normal credit control in accordance with the Council's credit control policy will apply; and

- (iv) Institute a criminal charge of fraud against the recipient.

13. Basic Services Offered to the Indigent

13.1. Indigent Support is to be provided for the following services, subject to funds being allocated and the relevant criteria being adhered to:

- (i) Rates;
- (ii) Refuse; and
- (iii) Electricity
- (iv) Indigent Burial

13.2. The Council can determine special tariffs for the use by the Indigent for the following services subject to the availability of funds and compliance with the prescribed criteria:

- (i) Sports Grounds, Pools;
- (ii) Fire Protection;
- (iii) Market;
- (iv) Agricultural Properties;
- (v) Hiring of Halls;
- (vi) Cemeteries and Crematoria

14. Discretionary Powers

14.1. The Council has the discretionary powers to amend any clause, stipulation or tariff embodied in the Indigent Support Policy in the interest of the parties concerned.

Council:

- (i) Names of households receiving relief for the prescribed period;

- (ii) Stand number where

15. Compliance and Enforcement

- a) Violation of or non-compliance with this policy will give a just cause of disciplinary steps to be taken.
- b) It will be the responsibility of chief financial officer to enforce compliance with this policy.

16. Effective Date

The policy shall come to effect upon approval by Council.

17. Policy Adoption

This policy has been considered and approved by the COUNCIL OF THE UMUZIWABANTU LOCAL MUNICIPALITY as follows:

Resolution No:.....

Approval Date:.....

**UMUZIWABANTU MUNICIPALITY
INDIGENT SUPPORT APPLICATION FORM**

1. Registered owner
name _____

2. Electricity Serial Number

3. Electricity Account Number _____

4. Lot number

5. Number of Family Members sharing this service

6. Residential Ward No.

Name of Head and Dependants Sharing the Service	Identity Number/ Birth Certificate	Monthly Income	Source of Income

Please attach certified copies of requested documents, Failure to do so would result in the application being declined.

I _____ hereby confirm the truthfulness of the above information and I promise to keep you informed immediately about any changes regarding the above family's financial status.

Signature of Registered owner _____ Date: _____

Signature of Ward Councillor _____ Date: _____

Approved by: _____ Date:
