

POLICY 004/2016 RAADSBELEID

SUBJECT/ONDERWERP: INDIGENT MANAGEMENT POLICY

REFERENCE/VERWYSING: 5.12.B

RESOLUTION NO/BESLUIT NR: 6.2/05.1/2016 (SCM)

DATE/DATUM: 31 May 2016

That the revised Indigent Management Policy be accepted by Council:

1. OBJECTIVE

- (a) The Council recognizes its Constitutional obligation to give priority to the basic needs of the community, to promote the social and economic development of the community and to ensure that all residents and communities in the municipality have access at least to a basic level of municipal services.
- (b) The Constitution entitles the municipality to an equitable share of nationally raised revenue, which will enable it to provide basic levels of essential services to the community and the Council commits its equitable share to the provision of basic services.
- (c) Due to the high level of unemployment and consequent poverty in the Municipality's jurisdiction, there are households which are unable to pay the normal tariffs for municipal services. The municipality accordingly adopts this Indigent Management Policy to ensure that these households have access to at least basic municipal services.

2. OBJECTIVE AND SCOPE OF THE POLICY

The Council adopts this policy in order to provide:

- (a) A framework for the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the municipality;
- (b) Procedures and guidelines for the subsidization of basic services to the Indigent Households using the municipality's budgetary allocation, supported by the equitable share;
- (c) Fair criteria and a consistent, transparent and reasonable threshold for qualification of indigent households and appropriate subsidies, consistent with the municipality's Tariff Policy.

3. FAIR ADMINISTRATIVE ACTION

- (a) The Constitution entitles everyone to administrative action which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.
- (b) The Promotion of Administrative Justice Act, 2000 [Act 3 of 2000] is the legislation required by the Constitution to give effect to the right to just administrative action and in order to promote and efficient administration and good governance and to create a culture of accountability, openness and transparency in public administration or in the exercise of a public power or the performance of a public function.
- (c) This policy incorporates the above principles by providing parameters and procedures to guide the municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the municipality will act in the circumstances covered by the policy and uniformity of action on the part of its officers.
- (d) The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

4. SERVICES TO BE SUBSIDISED

- (a) The municipality will provide free of charge, a basic level of each of the following services by subsidizing the tariffs applicable thereto in terms of this policy:
 - (i) Water (first 6 kilolitre per month); consumption exceeding 6 kilolitres will be payable by the consumer.
 - (ii) Electricity (50kWh); consumption exceeding 50kWh will be payable by the consumer.
 - (iii) Refuse removal (total amount per month).
 - (iv) Sewerage/Sanitation (total amount per month).
 - (v) Property Rates (general).
- (b) Support to retired and disabled persons who just fall outside the indigent household bracket referred to in paragraph 5 below.
 - (i) Council may consider supporting retired and disabled persons who just falls outside the indigent household bracket of two times the monthly government allowances paid to old age pensioners or disabled persons.
 - (ii) These cases will be seen as special merit non-indigent household cases to be considered on an adhoc basis by Council.
 - (iii) These cases will have to comply with the above-mentioned application criteria as well as those listed in the Property Rates Policy before it will be considered by a Committee of Council.

- (iv) Council may require a report from a welfare practitioner as part of the application criteria before considering the application and possible financial support.
- (v) For the 2016/2017 financial year the total monthly and corresponding financial support is determined as follows:
 - R 0 to R2,860 per month - 100% of indigent support.
 - R2,861 to R3,860 per month - 80% of indigent support.
 - R3,861 to R4,860 per month - 50% of indigent support.
 - R4,861 to R5,860 per month - 20% of indigent support.
- (vi) The municipality retains the right to refuse the financial support if the details supplied in the application form were incomplete, incorrect or false.

5. CONDITION OF THE INDIGENT SUPPORT

- (a) Who qualifies?
A household residing on an erf, earning a combined gross income of equal or less than two times the monthly government allowance paid to old age pensioners or persons. (Excluding allowance received from Department of Social Services)
- (b) What is a household?
Is a household consisting of one or more people who live in the same dwelling and also share the same meals or living accommodation, and may consist of single family or other grouping people. A single dwelling will be considered to a certain multiple households if meals and space are not shared.
- (c) Who does not qualify?
A household on a single erf whose combined gross income are more than two times the monthly government allowance paid to old age pensioners or disabled persons.

Occupants/residents who owns more than one property.

6. APPLICATION PROCEDURES

- (a) The application form together with the documents indicated below must be brought by the account holder (i.e. the person in whose name the account is rendered) to one of the council's offices indicated in the enclosed pamphlet. Prospective applicants must apply at the venues designated in their respective areas and not at any other places.
- (b) Documentary proof of income (e.g. letter from an employer, salary advice, pension card, UIF card etc.) must be presented in order to qualify for indigent support.

- (c) In addition, applicants will be required to sign and submit a sworn affidavit to the effect that all information supplied is true and that all income from formal and/or informal sources has been declared. Special note should be taken that any person who supplies false information will be disqualified from further participation in the indigent support scheme and penalty will be levied on the consumer account as per the approved tariffs of Council. He/She will also be liable for the immediate repayment of all indigent support received and the institution of criminal proceedings, as Council may deem fit.
- (d) Council reserves the right to send officials to premises/households receiving relief for the purpose of conducting an on-site audit of the details supplied.
- (e) The account holder must apply in person and must present the following documents upon application:
- The latest municipal account in his/her possession.
 - The account holder's identity document.
 - An application form indicating the names and identity numbers of all **occupants over the age of 18 years** who are resident at the property.
- (f) If the application is approved, the indigent support will only be valid until **30 June 2017** with no guarantee of renewal, as it is funded by a grant from National Government to the municipality. The onus is on account holders to re-apply for relief each year, failing which the assistance will cease automatically.

7. GENERAL

- (a) All consumers qualifying as indigent households will receive monthly indigent support provided that a pre-paid water and pre-paid electricity meter have been installed on Council's cost.
- (b) Upon the registration as an indigent household consumer, the debtor's outstanding balance as at the date of approval is written off per household.
- (c) Any new arrears accumulated by the debtor (i.e. any amounts in excess of the indigent allowance for free basic services) whilst registered as an indigent consumer, will not qualify to be written-off and must be dealt with strictly in accordance with the Municipality's Customer Care, Credit Control and Debt Collection Policy. This will apply only to registered indigents who have conventional meters for the supply of electricity and water as well as the excess rates payable on the market value of a residential property that are not exempted from paying rates in terms of the Property Rates Policy of Council.
- (d) The Chief Financial Officer will, after thorough review of any applications in terms of this Policy, be delegated to write off any amounts in the case of a household consumer to the maximum of R10,000 (excluding interest and penalties) per submission or the amount determined by Council from time to time during the budget approval process.

- (e) Any amount in excess of the delegation provided for in paragraph (d) above must be submitted together with a recommendation to the Municipal Manager for consideration. The Municipal Manager will, after thorough review of any recommendation by the Chief Financial Officer and in terms of this Policy, be delegated to write off any amounts in the case of a household consumer to the maximum of R20,000 (excluding interest and penalties) per submission or the amount determined by Council from time to time during the budget approval process.
- (f) Any amount in excess of the delegation provided for in paragraph (e) above and in the case of a business consumer and other consumers may only be reviewed by the Committee and must be submitted together with a recommendation to Council via the Committee for Financial Viability and Executive Committee for consideration.
- (g) All amounts to be written off in terms of Section (d) and Section (e) above must be considered individually and each case on its own merits must be separately reported to the Committee.