

# **SOL PLAATJE LOCAL MUNICIPALITY**

## **INDIGENT MANAGEMENT POLICY**



**APPROVED ON THE  
RESOLUTION NUMBER**

**C36/03/21**



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## 1. OBJECTIVE

- 1.1. Sol Plaatje Municipality recognises its Constitutional obligation to give priority to the basic needs of its 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.
- 1.2. 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 Sol Plaatje Municipality commits its equitable share to the provision of basic services.
- 1.3. Due to the high level of unemployment and consequent poverty in the municipality, 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. SCOPE OF THE POLICY

Sol Plaatje Municipality adopts this policy in order to provide:

- 2.1 A framework for the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the municipality;
- 2.2 Procedures and guidelines for the subsidisation of basic services to poor people using the municipality's budgetary allocation, supported by the equitable share;
- 2.3 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**

- 3.1 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.
- 3.2 The Promotion of Administrative Justice 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 an 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.
- 3.3 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.
- 3.4 The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

### **4. SERVICES SUBSIDISED**

- 4.1 The municipality will provide free of charge, a basic level of services by subsidising the tariffs applicable thereto in terms of this policy and its Free Basic Services Policy.
- 4.2 The municipality may also subsidise assessment rates on immovable properties of below a determined value as provided for herein, owned by persons qualifying for indigent support.



## 5. QUALIFICATION CRITERIA FOR INDIGENT SUPPORT

Sol Plaatje Municipality recognises five categories of indigent households and organisations aiding the indigent, namely:

- Income Indigent
- Child headed Households
- Indigent by way of Geographic Area
- Organisation assisting the indigent
- Exceptional Circumstances

The Municipality also recognises the plight of old age homes and in turn offers free basic services as a package in terms of the criteria set out

The requirements for these categories may vary and overlap as prescribed in the policy.

### 5.1 INCOME INDIGENT

5.1.1 Indigent support is provided to a household upon successful application by an individual applicant who is the holder of a municipal account, supported by valid service agreements for the provision of municipal services to the property in which the household resides.

5.1.2 A household qualifies for indigent support if the verified total gross monthly income of all occupants in the household over 18 years of age, including all rental income derived from any dwelling on the property, does not exceed R4500 per month, or any such other amount as Sol Plaatje Municipality may from time to time set. In the calculation of this household income, all government grants such as pension, child welfare, etc. will be disregarded.



## 5.2 CHILD HEADED HOUSEHOLD

5.2.1 A child headed household is one where the eldest caretaker of the property and its occupants is younger than 18 years.

5.2.2 Child-headed households shall qualify for subsidisation in line with this policy. A child shall be any person who is 18 years and younger. Such applicants shall be assisted by the ward councillor and all documentary proof shall serve as evidence prior to qualification. Upon reaching the age of majority, their indigent status may be reviewed, also taking into account paragraph 5.2.3 below.

5.2.3 In cases where the person responsible for the family is older than 17 years but less than 21 years, and is unemployed, the beneficitation from indigent subsidisation may be extended further under the criteria as per paragraph 5.2.2 above and 5.6 below.

## 5.3 GEOGRAPHIC AREA

It is recognised that some areas within Sol Plaatje Municipality have concentrated indigent populations. This is as a result of Low Cost Housing projects or more affordable housing in certain areas for the low end of the market.

These areas are determined by the following criteria:

5.3.1 Availability of services

5.3.2 Approximate / average property valuations

5.3.3 Payment ratios for the area

5.3.4 Whether or not they pay a flat tariff.



## 5.4 ORGANISATIONS ASSISTING THE INDIGENT

5.4.1 Any organisation incorporated not for gain and reliant on government or other funding, and which may charge the residents a fee which is prescribed by government as a condition of such funding, may qualify for free basic services in terms of this policy and the Free Basic Services Policy.

5.4.2 The value of the free basic services package is calculated by the number of rooms or beds available multiplied by the free basic services package. E.g. an old age home which has 15 beds may qualify, subject to the other criteria listed above, for the free basic services to an amount multiplied by 15.

## 5.5 EXCEPTIONAL CIRCUMSTANCES

5.5.1 This policy attempts to assist our indigent community in general but it is understood that there are sometimes exceptional circumstances which this policy cannot foresee and which ordinarily would not be provided for in the qualification criteria.

5.5.2 For this reason, the Municipal Manager may consider individual applications made containing exceptional circumstances which would, ordinarily and by the criteria listed in the Policy, overlook such circumstances. For example, pensioners who are members of medical aid schemes, or families looking after disabled children or severely sick persons, may apply for an indigent subsidy. Such applications shall be considered based on these extra-ordinary circumstances and merits.

5.5.3 The Indigent Management Section shall liaise with the Department of Health and the Department of Social Development depending on



the circumstances so presented in the application. The approval of such application shall be recommended by the CFO to the Municipal Manager.

5.5.4 A report of all special cases shall be presented to Council once a quarter.

## 5.6 GENERAL

5.6.1 For a household to qualify for indigent support in respect of services, the applicant must be a full-time occupant and account holder of the property concerned and may not be in receipt of support in respect of another household, whether within or outside the municipality.

5.6.2 A household is not disqualified from being registered as indigent by reason alone of such applicant lawfully occupying a municipal owned property. However, should such person pay less than the market rental determined by Council from time to time as a recipient of any concession for any reason on said rental, such applicant will not qualify for indigent registration.

5.6.3 For a household to qualify for a rebate on rates, the applicant must be both the owner and a full-time occupant of the property concerned and may not own any other immovable property whether within or outside the municipality.

5.6.4 For a household to qualify for a rebate on services, or to benefit from any debt write-off in terms of the municipality's Debt Write-off Policy, a pre-paid electricity meter must be installed at the subject property. If the applicant refuses the installation of a prepaid service meter the application will be cancelled.





5.6.5 A household cannot qualify for indigent registration if a business whether formal or informal (e.g. tuck shops, taverns etc.) is being run from the premises in which the household resides.

## **6. APPLICATION PROCEDURE**

An applicant wishing to apply for indigent support under the category "income indigent" for a household must complete an application form attached hereto as annexure "A" which shall be accompanied by at least the following documents:

- 6.1 an affidavit declaring on oath employment status and/or income in respect of all members of the household over 17 years of age and their full names and identity numbers;
- 6.2 documentary proof of income in respect of all such persons (e.g. letter from employer, salary advice, pension slip, affidavit of income if self-employed, letter from SARS);
- 6.3 the most recent municipal account in the name of the applicant in respect of the property in question;
- 6.4 a copy of the applicant's identity document;
- 6.5 where necessary, a copy of the title deed or any other acceptable proof of ownership in the name of the applicant of the property in question (if the applicant is the owner).
- 6.6 Where applicable, verification of the valuation of the applicant's property will be undertaken by the municipality with reference to its current Valuation Roll. Objections to such valuation must be done in terms of the Sol Plaatje Municipality's Property Rates Policy.



- 6.7 An applicant for indigent support, shall in the application form, authorise the municipality to verify the information provided therein through access to the applicant's returns to the South African Revenue Service or through any other agency as the municipality in its sole discretion shall determine.
- 6.8 The Municipal Manager or his/her delegate must explain to each applicant, the content of this policy, the application form and the consequences of submitting an application for indigent support and counter-sign the application form in certification that the applicant confirmed his/her understanding of such explanation.
- 6.9 The Municipal Manager or his/her delegate may send a representative to the property of an applicant for indigent relief to conduct an on-site audit and verification,(investigation) of information provided by the applicant.
- 6.10 An application shall be considered and determined by the Municipal Manager or his/her delegate with due regard to the information contained therein and the report, if any, of an on-site audit and advise the applicant in writing of his/her decision. If an application is not approved, the applicant will be provided with written reasons for the municipality's refusal.
- 6.11 Such verification shall take place within the validity period of the indigent status. As such, the applicant shall be considered to provisionally qualify for subsidisation upon receipt of all documents required at application stage. The verification shall confirm the status as soon as it is done, within 24 months from date of provisional qualification.
- 6.12 Should the verification provide information contrary to the information submitted with the application, the applicant shall be charged with the value or amount of subsidy given, and these shall



be charged against the municipal account of that property and the credit control policy shall apply to recover the loss.

6.13 An application shall be approved for a maximum period of 24 months. Thereafter a new application must be made and captured.

## **7. ALTERNATIVE APPLICATION AND QUALIFICATION PROCEDURES**

7.1 The municipality, as an appointed agent of Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA), in the implementation of Low Cost Housing Development, may utilise the information of all applicants as approved by the Department with regards to housing subsidies.

7.2 Due to the qualification criteria for a housing subsidy being in line with the criteria to qualify for indigent households support in the form of free basic services, all housing beneficiaries shall qualify automatically upon completion and handing over of keys. The list of beneficiaries from COGHSTA will be utilised to assist families in opening a municipal account.

7.3 In the case of deceased beneficiary/ies before the handing over of keys, the spouse or the children of the beneficiary/ies shall be permitted to open the account provided they meet the criteria as per paragraph 5 above.

7.4 Verification of applicants who qualified solely using the list of beneficiaries for Housing subsidies shall take place within two years from date of qualification.

## **8. BI-ANNUAL RE-APPLICATION**

8.1 A recipient of indigent support, must re-apply for such support and registration in the municipality's records as an indigent, on or before



the last day of June two years following his/her registration as an indigent, failing which the municipality will automatically terminate his/her indigent support. The municipality does not warrant that any such re-application will be successful.

- 8.2 The Municipal Manager will inform an applicant who has re-applied for indigent status of the outcome of his/her re-application and should it not be approved, will provide reasons for its refusal.

## **9. BREACH OF OR NON-COMPLIANCE WITH CONDITIONS OF GRANT**

- 9.1 If a recipient of indigent support fails to comply with this policy, or breaches or otherwise fails to comply with any condition of the grant of such status, or should his/her circumstances or those of the household in respect of which he/she applied for indigent support change materially, the Municipal Manager or his delegate, shall be entitled to terminate his/her status as an indigent and the provision of indigent support with immediate effect and such person shall revert to the status of ordinary account holder for the financial year in question.
- 9.2 A recipient of indigent relief bears the onus to inform the Municipal Manager of any material change in his/her circumstances or those of his/her household, such as would disqualify him/her from receiving such relief and may request de-registration as an indigent at any time.
- 9.3 Without in any way limiting the grounds upon which the municipality would be entitled to terminate such relief, indigent relief to any recipient will be immediately terminated:
- i. if the recipient fails to comply with this policy or the agreement of grant of such relief;



- ii. if the supply of electricity and/or water including the meter system in the property of a recipient of indigent relief is in any way tampered with;
  - iii. if the household income of a recipient of indigent relief increases beyond the qualifying threshold;
  - iv. if the recipient of indigent relief (i.e. the applicant) dies;
  - v. if the property of the recipient of indigent relief is used for the conduct of any business activities;
  - vi. if the recipient of indigent relief ceases to personally occupy the property in respect of which such relief has been granted, or rents or sells it.
- 9.4 Should it be determined at any time, that a recipient of indigent relief knowingly or fraudulently provided false information to the municipality in any application or re-application, such person shall immediately be removed from the register of indigents and shall become liable to repay to the municipality an amount equivalent to the indigent support received by him/her, from date of grant thereof, as well as all debt written off from said date, and shall not again be considered for indigent relief for a period of 2 years or such other to be determined by Sol Plaatje Municipality from time to time.
- 9.5 If a recipient of indigent relief, whose debt has been written-off consequent upon the grant of indigent relief, sells the property in respect of which such relief was granted, or conducts a business, or allows a business to be conducted from said property, within a period of three years with effect from his/her last registration as an indigent then the following shall occur:
- i. the recipient shall become liable to repay to the municipality the total amount of indigent relief received by him/her during the said three year period;



- ii. the debts written-off shall immediately become due and payable to the municipality;
- iii. the provisions of 8(d)(ii) above shall also be applicable should the municipality approve plans for the building of a house or extension to a house on the property during said three year period;
- iv. the municipality shall be entitled to withhold provision of a certificate in terms of section 118, Local Government: Municipal Systems Act 32/2000, until the amounts in 8(d)(i) and (ii) have been paid in full.

## **10. PREPARATION AND MAINTENANCE OF AN INDIGENT REGISTER**

10.1 The Municipal Manager or his delegate will be responsible for the preparation and maintenance of a data base constituting a register of all recipients of indigent relief.

10.2 The Municipal Manager or his delegate will be entitled to visit and enter any property which is the subject of a grant of indigent relief or to require the recipient of such relief to provide such information as he may request, for the purposes of verification or audit of information supplied by the recipient of indigent relief or the current circumstances of the household in question.

## **11. SUBSIDIES MAKING UP INDIGENT RELIEF**

Indigent relief to qualifying households shall consist of a package of subsidies on the tariffs applicable to the services as per the Free Basic Services Policy.

In addition, property rates may be subsidised as follows:

11.1 The applicable subsidy on rates for a financial year shall be determined by Sol Plaatje Municipality in conjunction with approval



of its budget and shall be contained in the budget resolutions dealing with rates as contemplated in section 14 of the Local Government: Municipal Property Rates Act 6 of 2004.

## **12. PROPERTY RATES AND TAXES**

12.1 Property rates are only chargeable once the property is transferred to the beneficiary in as far as the housing subsidies are concerned. Property rates and taxes shall be levied in accordance with the Rates Policy of the municipality.

12.2 Any rebates or subsidies for indigent households shall be determined in terms of paragraph 4 as well as the Municipality's Property Rates Policy and in conjunction with the approval of its budget and shall be contained in the budget resolutions.

## **13. ARREAR CHARGES - REGISTRATION AS AN INDIGENT**

13.1 Accumulated arrears on the municipal account of an indigent accrued prior to his/her registration as such, shall be suspended and subsequently written off.

13.2 An indigent accountholder may only benefit from a write-off once, irrespective the number of successful subsequent registrations. This provision prevails except where paragraph 14.2 applies.

## **14. INDIGENT ACCOUNTS MONITORING**

14.1 If it is evident that the household is consuming more than the subsidised amount provided for in terms of this policy and such additional amounts are not being paid by the respective due dates, said applicant will be served with a warning notice stating that:



- their use of services are in excess of what is subsidised
- such excess is not being paid by the respective due date
- the account will be monitored for a further period of three months
- if the consumption is not brought to within the subsidised amount and an acceptable arrangement has been made for any arrears, action will be taken in terms of the Credit Control Policy.

14.2 Where the account is deemed excessive by reason of leaks, the supply will be normalized and the excessive consumption billing will be written off.

## **15. FUNERAL ARRANGEMENTS**

15.1 Sol Plaatje Municipality may from time to time determine special arrangements to apply in respect of funerals of recipients of indigent relief.

15.2 The Municipal Manager or his delegate shall implement such arrangements upon receipt of a death certificate, provided however that if such arrangements include the re-connection of an electricity supply, this shall not be implemented until an amount of R150,00 has been paid.

## **16. IMPLEMENTATION AND REPORTING**

16.1 The Municipal Manager is responsible and accountable for the implementation of this policy. Sol Plaatje Municipality delegates to the Municipal Manager all the necessary power and authority to effect such implementation, subject to the provisions of this policy.

16.2 The Municipal Manager shall submit a monthly report to the Executive Mayor on the implementation of this policy, containing at least the following information:





- i. the number of households registered as indigent and a brief explanation of any variation in that number since the prior report;
- ii. the monetary value of subsidies and rebates constituting indigent support for the reporting period and cumulatively for the financial year to date;
- iii. the amount budgeted for the provision of indigent support and the balance available.
- iv. The number of households/accounts and value of arrear amounts written off.

16.3 The Executive Mayor shall in turn report on the above matters to Sol Plaatje Municipality on a quarterly basis.

## **17. REVIEW OF THIS POLICY**

This policy shall be reviewed annually in conjunction with the municipality's budget process.

## **18. IMPLEMENTATION DATE**

The amendments contained herein become effective and wholly enforceable from the 1<sup>st</sup> of July 2017.



## **ANNEXURE A – APPLICATION / REGISTRATION FORM**