

SOL PLAATJE LOCAL MUNICIPALITY

INDIGENT MANAGEMENT POLICY





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1. OBJECTIVE

- a. The Council recognises 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, 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 subsidisation of basic services to poor people 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 3/2000 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 AFFECTED

- a. The municipality will provide free of charge, a basic level of each of the following services by subsidising the tariffs applicable thereto in terms of this policy:
 - i. Water;
 - ii. Electricity;
 - iii. Refuse removal;
 - iv. Sewerage.



- b. The municipality will subsidise assessment rates on immovable properties of below the value as provided for herein, owned by persons qualifying for indigent support.

5. QUALIFICATION CRITERIA FOR INDIGENT SUPPORT

INCOME INDIGENT

- a. Indigent support is provided to a household upon 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.
- b. 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 an amount equivalent to twice the State welfare pension as determined from time to time, or such other amount as the Council may from time to time set.

ASSET INDIGENT

- c. Owners of property with a municipal valuation of R 70 000 or less, or such other amount as the Council may determine from time to time, and the owner resides in such property and is not the owner of any other immovable property qualify to be registered as asset indigents automatically, provided such candidates are not employed by, or do not own, have finance agreements in respect of, or do not subscribe to the following:
 - a. Organ of State
 - b. car/s with a value greater than R 100 000
 - c. DSTV or any other pay channel subscription

EXPLANATORY NOTE TO ABOVE



If a relative of the proposed indigent household purchases a car to a value exceeding that of the amount prescribed above, and ownership of the car and the finance agreement is in the name of the relative and not the applicant, such facts will not affect the applicant's eligibility for registration. The same applies to a pay television station – where such subscription is in the name of a non-household member or applicant, such facts will not affect the applicant's eligibility for registration. However, should a household member work for any organ of state this will immediately disqualify the household from registration as indigent.

GENERAL

- d. For a household to qualify for indigent support in respect of services, the applicant must be a full-time occupant of the property concerned and may not be in receipt of support in respect of another household, whether within or outside the municipality.
- e. 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.
- f. 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 and a water management device must be installed at the subject property.

6. APPLICATION PROCEDURE

- a. An applicant wishing to apply for indigent support under the category "income indigent" for a household must complete an application form as required by the municipality which shall be accompanied by at least the following documents:



- i. an affidavit declaring on oath employment status and/or income in respect of all members of the household over 18 years of age and their full names and identity numbers;
 - ii. documentary proof of income in respect of all such persons (e.g. letter from employer, salary advice, pension card, affidavit of income if self-employed);
 - iii. the most recent account in the name of the applicant in respect of the property in question;
 - iv. a certified copy of the applicant's identity document;
 - v. a copy of the title deed in the name of the applicant of the property in question (if the applicant is the owner).
- b. 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.
- c. 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.
- d. 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.
- e. 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 of information provided by the applicant.
- f. 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.

- g. An application shall be approved for a maximum period of 12 months.

7. ANNUAL RE-APPLICATION

- a. 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 next 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.
- b. 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.

8. BREACH OF OR NON-COMPLIANCE WITH CONDITIONS OF GRANT

- a. 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.

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.



- b. 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.
- c. 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 and shall not again be considered for indigent relief for a period of 2 years or such other to be determined by the Council from time to time.
- d. 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 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 7(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 7(d)(i) and (ii) have been paid in full.

9. PREPARATION AND MAINTENANCE OF AN INDIGENT REGISTER

- a. 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.
- b. 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.

10. SUBSIDIES MAKING UP INDIGENT RELIEF

Indigent relief to qualifying households shall consist of a package of subsidies on property rates and on the tariffs applicable to the services set out in 3 above, as follows:

- a. The applicable subsidy on rates for a financial year shall be determined by the Council in conjunction with approval of its budget and shall be



contained in the budget resolutions dealing with rates as contemplated in section 14 Local Government: Municipal Property Rates Act 6/2004.

- b. In respect of the supply of water, the Council shall from time to time determine the quantity of water constituting a basic supply and the amount of the subsidy in respect of the tariff payable for water. The determination by the Council shall be made in conjunction with the approval of its budget and shall be contained in the budget resolutions dealing with tariffs and as otherwise provided for in its Tariff Policy.
- c. In respect of the supply of electricity, the Council shall from time to time determine the quantity of electricity constituting a basic supply and the amount of the subsidy in respect of the tariff payable for electricity. The determination by the Council shall be made in conjunction with the approval of its budget and shall be contained in the budget resolutions dealing with tariffs and as otherwise provided for in its Tariff Policy.
- d. With regard to the provision of the sewerage and refuse removal services, the amount of the subsidy in respect of the tariffs payable for these services shall be determined by the Council in conjunction with the approval of its budget and shall be contained in the budget resolutions dealing with tariffs and as otherwise provided for in its Tariff Policy.

11. ARREAR CHARGES UPON APPROVAL OF REGISTRATION AS AN INDIGENT

- a. Accumulated arrears on the municipal account of an indigent accrued prior to his/her registration as such, shall be suspended and shall not accrue interest nor be due and payable whilst such person remains registered as an indigent.
- b. Arrears so suspended, shall become due and payable by an account holder in such monthly instalments as may be determined by the Council from time to time, upon termination of such account holder's status as an indigent.



- c. Notwithstanding the provisions of 10(b), arrear amounts which have remained suspended for a period of two years pursuant to 10(a), shall be deemed to be irrecoverable and shall be considered for writing-off in terms of the municipality's Debt Write-off Policy.

12. FUNERAL ARRANGEMENTS

- a. The Council may from time to time determine special arrangements to apply in respect of funerals of recipients of indigent relief.
- b. 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.

13. IMPLEMENTATION AND REPORTING

- a. The Municipal Manager is responsible and accountable for the implementation of this policy. The Council delegates to the Municipal Manager all the necessary power and authority to effect such implementation, subject to the provisions of this policy.
- b. 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.
- c. The Executive Mayor shall in turn report on the above matters to the Council on a quarterly basis.



14. REVIEW OF THIS POLICY

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