



FINAL INDIGENT POLICY
2020-2021

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1. INTRODUCTION

- 1.1 The Municipality must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1) (b) and 153(b) of the Constitution of the RSA (Act No. 108 of 1996).
- 1.2 The Constitution recognizes Local Government as a distinct sphere of Government and as such also entitles Local Government to a share of nationally raised revenue, which will enable it to perform its basic function of providing essential services to the community within its boundaries.
- 1.3 Basic services are generally regarded as to access electricity, solid waste removal and availability of roads.
- 1.4 The key purpose of an indigent subsidy policy is to ensure that households with low income are not denied a reasonable service, and on the contrary the Local Authority is not financially burdened with non-payment of services: Provided that grants are received and funds are available, the indigent subsidy policy should remain intact.
- 1.5 To achieve this purpose it is important to set a fair threshold level, and then to provide a fair subsidy on tariffs set out in the Council's.

2. DEFINITIONS

Indigent household:	Refers to household where the owner/ registered occupants and other consumers within the household who do not have the financial means to access basic municipal services and will only be recognised as an indigent household, when approved as such by Inxuba Yethemba Local Municipality
Pensioner:	Refers to a household of which the income is at the most twice old age state pension (65)
Disabled:	Refers to a household headed by a disabled person. (Physically or Mentally)
Child Headed:	Refers to a household headed by a person younger than 18 years
Youth Headed:	Refers to a household headed by a person between 19 and 35 years of age
Unemployed:	Refers to household of which there is no or very little income
Employed:	Refers to a household earning an income that is below twice the state old age pension
Special Pensioner:	Refers to a pensioner household that rents accommodation and has an income less than twice state pension. (Proof of rental agreement to be provided with application)

3. PURPOSE AND AIM OF THE POLICY

- 3.1 The purpose of this policy is to ensure that the subsidy scheme for indigent household's forms part of the financial system of the Municipality and to ensure that the same procedure be followed for each individual case in a fair and equitable manner.

- 3.2 The aim of the policy is to ensure that those residents that earn an income less twice state pension, can access basic services if the application is approved by Inxuba Yethemba Local Municipality.
- 3.3 Inxuba Yethemba Local Municipality should consult the indigent data base when temporary/relief work is created or when positions become available to ensure that the most vulnerable households can be assisted.

4. INDIGENT POLICY PRINCIPLES

- 4.1 To ensure that poor households are not denied their constitutional right of access to basic services, the municipality is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable basic services to all residents within the area of its jurisdiction.
- 4.2 The indigent support policy should complement and be an integral part of the municipality's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to its entire citizen at an affordable cost.
- 4.3. The indigent policy is intended to provide poor households ongoing access to a minimum, nationally specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

5. CONDITION

Neither the owner (applicant) nor the other consumers in the household may have an additional house anywhere else in South Africa.

You should be the owner of the property or have the power of attorney or letter of authority.

6. CRITERIA FOR INDIGENTS TO QUALIFY FOR INDIGENT SUPPORT

For a household to qualify to be registered as indigent, the following aspects are considered:

- 6.1 Subsidy, within the financial ability of the Municipality, is allocated to owners of premises who receive electricity, refuse removal services from the Municipality, in respect of charges payable to the Municipality for such services.
- 6.2. The household income must not be more than 2X state old age pension above retirement age.
- 6.3 Income of all people staying in the household is considered, excluding child support and disability grants.
- 6.4 Only one application per person in respect of one property shall qualify for consideration per household. A business, body, association, club or governing body shall not qualify for consideration.
- 6.5 The subsidy will not apply in respect of households owning more than one property, who will therefore not be classified as indigent.

7. CREDIT CONTROL POLICY TO BE APPLIED FOR INDIGENT HOUSEHOLDS

7.1 AIMS OF THE POLICY

The credit control policy aims to achieve the following:

- 7.1.1 To distinguish between those who can and those who genuinely cannot pay for services;
- 7.1.2 To encourage those who cannot pay to register with the municipality so that they may receive subsidies;
- 7.1.3. To enable the municipality to determine and identify defaulters to ensure appropriate credit control procedures are in place;
- 7.1.4. To establish an indigent register of all persons who comply with the policy.
- 7.1.5. The following principles will be adhered to at all times: -

Transparency	Equity
Consistency	Impartiality
Rationale	Accessibility
Empathy	Honesty / Integrity
Confidentiality	Objectivity

7.2 OBLIGATION TO PAY

- 7.2.1 The policy on provision of services should endeavour to provide services in accordance with the amount available for subsidisation.
- 7.2.2 It is however important to note that the subsidy received may not cover the full account. In such event the consumer is still responsible for the balance between the full account and the subsidy received.
- 7.2.3 Where applicable, credit control measures must still be applied, in accordance with the approved credit control policy, for such outstanding amounts.

8. TARIFF POLICY IN RELATION TO INDIGENT HOUSEHOLDS

- 8.1 The Municipal Systems Act, Act No. 32 of 2000 (MSA) stipulates that a Municipal Council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements and which complies with the provisions of the Act and with any other applicable legislation.
- 8.2 A tariff policy must reflect, amongst others, at least the following principles, namely that:
 - 8.2.1 The amount individual users pay for their services should generally be in proportion to their use of that service;
 - 8.2.2. Poor households must have access to at least basic services through tariffs that cover only operating and maintenance costs;

8.2.3 The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

9. BASIS OF THE POLICY

To get the maximum benefit from the system, the system must be fair and incorruptible. It must have an entry point and a clear point of exit.

10. MAXIMUM SUBSIDY

The subsidy is allocated on the municipal account by giving a credit of an amount equivalent to the total basic charges and 50kWh of electricity services of the qualifying households. However, the applicant / the consumer (indigent) is liable for the difference of the consumers' account over and above the mentioned subsidies.

11. SERVICES THAT ARE SUBSIDISED

1.1.1 Electricity services

A subsidy of 50 kWh electricity per household per month will be allocated to an indigent household who is eligible thereto in terms of the Electricity Basic Services Support Tariff (EBSST) as published in Government Gazette No. 25088 of 04 July 2003.

1.1.2 Refuse services

All registered indigent debtors will receive 100% subsidy on refuse removal.

12. ARREAR DEBT

Upon approval of the indigent application the household will be given a subsidy and the arrear debt will be written off on the following services;

- Rates
- Refuse removal
- Electricity
- Sundry

13. APPLICATION FOR THE SUBSIDY AND VERIFICATION

The prescribed application form of an indigent must be completed by consumers who wish to qualify in terms of this policy.

The application for the subsidy is submitted to the Municipality for final screening and approval purposes.

The account holder / applicant must present the following documents on application:

- The latest municipal account.
- The account holder's SA ID / certified copy of SA ID
- An application form indicating the names and identity numbers of all occupants / residents over the age of 18 years, who reside at the property, attach certified copies of ID and birth certificate
- Proof of gross income where possible
- 3 months' bank statement or an affidavit confirming the status of the applicant i.e. pensioner, unemployed, employed but earning less than 2X state pension, child / youth headed family and disabled.

14. APPLICATION FOR CONCESSION

Circumstances of applicants will differ from time to time, therefore the following intervals during which each category of applicant may apply for an extension of the concession is recommended:

- a. Child /Youth Headed families : once in twelve (12) months
- b. Pensioner : once in twelve (12) months, affidavits not new application
- c. Disabled : once in twelve (12) months, affidavits not new application
- d. Unemployed : once in six (6) months
- e. Employed : once in six (6) months
- f. Special Pensioner : once in twelve (12) months

The onus will rest on the approved account holders to apply for relief on an annual basis.

15. DURATION OF RELIEF

Indigent relief shall apply for a period not extending beyond a period of twelve months.

Registrations must be renewed for each financial year in line with the clause 13 if the relief is to continue and the onus shall be upon the account holder to renew registration as an indigent.

Renewal of registration will take place on dates, times and places determined by the Council.

16. WARD SCREENING COMMITTEE

It is recommended that the Ward Screening Committee consist of the following members: -

- a. Ward Councillor
- b. A Representative from the Ward Committee.
- c. A member from Community Development Workers

ROLE OF THE WARD SCREENING COMMITTEE

- a. To scrutinise and assess all applications received for the indigent support
- b. Make recommendations to the municipality on its scrutiny and assessment of the application
- c. Undertake inspections where necessary in order to verify the information provided by the indigent.

17. MUNICIPALITY SCREENING COMMITTEE

It is recommended that the Ward Screening Committee consist of the following members: -

- a. Accountant Revenue
- b. Indigent Clerk
- c. Budget and Treasury Office Data Capturers.

ROLE OF THE MUNICIPALITY SCREENING COMMITTEE

- a. To verify the accuracy information submitted by the Ward Screening Committee.
- b. Approve / disapproved the recommendations made by the Ward Screening Committee.
- c. To monitor that policy is implemented accordingly upon approval of an application.

18. ROLE OF WARD COUNCILLOR

The Ward Councillor will undertake the following functions: -

- a. Establish the Ward Screening Committee.
- b. Co- ordinate activities of the Ward Screening Committee and ensure effective functioning of the committee.
- c. Convene all meetings of the Ward Steering Committee at least once per month.
- d. Communicate and ensure capacity building to the Ward/s.
- e. Approve / disapprove all applications before it is submitted to the Budget and Treasury Office.

19 THE ROLE OF MUNICIPAL MANAGER

- a. Approved special merit cases where special circumstances prevail and must be treated individually.

20. TERMS OF REFERENCE

- a. In relation to the powers and functions entrusted to the Screening Committees; the committee will ensure that the scheme is effectively managed and administered, and each committee will exercise the following powers and conduct the following duties: -
- b. The approved application form for indigents must be signed by the Ward Screening Committee and finally by the Ward Councillor.

- c. To obtain all documentary evidence supportive of each application (household);
- d. To verify the accuracy and authenticity of all documentation and information obtained in each application;
- e. The Municipality Screening Committee will verify each application for completeness and accuracy of the information submitted.
- f. To systematically complete the assessment checklist pertaining to each applicant;
- g. Each Screening Committee will finalize each application within sixty (60) days,
- h. The Ward Councillor should terminate services of the Ward Screening Committee member
 - a. whose performance is not satisfactory.

21. PENALTIES

- 18.1 Any person who supplies false information will be disqualified from further participation in the subsidy scheme. He/she will also be liable for the immediate repayment of all subsidies received, and the institution of criminal proceedings, as the Municipality may deem fit.
- 18.2 The onus also rests on indigent support recipients to immediately notify Council of any changes in their indigence status.
- 18.3 If the applicant is found guilty of any misconduct by the Screening Committee, he/ she can be removed from the register for a maximum period of three (3) years. An appeal can be lodged with the Mayoral Committee.

22. GENERAL

- a. That the Ward Committees be tasked to support the Screening Committees and Community Development Workers (CDW's).
- b. That the Ward Councillor shall convene a meeting of the Screening Committee on which meeting the indigents will be approved or rejected, where-after the Ward Councillor will sign the documentation for approval.
- c. That the recommendations of the Screening Committee be reported to the Mayoral Committee, for approval.
- d. That Screening Committees prioritize recommendations of people who need help most (*i.e. unemployed, pensioner, disabled*)
- e. If a household was approved as an indigent for the period stated in clause 9 of this policy, and consumes more than the free basic services will be liable to pay for the difference of his / her consumer account.

- f. An applicant will be informed in writing within 30 days after the closing of Indigent Registration whether the application has been approved or not.

23. REVIEWAL OF POLICY

This policy shall be reviewed annually during March of the year preceding the new budget commencing on 01 July and be amended, if necessary.