



INDIGENT POLICY 2013/2014

APPROVAL DATE BY COUNCIL: 31 MAY 2013

COUNCIL RESOLUTION NUMBER: LC.MC-178/05/2013

LESEDI INDIGENT POLICY

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Appendix A: Application form for Indigent Household Subsidy

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 be access to clean water within a reasonable distance of one's dwelling, electricity, basic sanitation, solid waste removal and access to 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

In this Policy, unless the context indicates otherwise, the following definitions are applied:-

“Basic municipal services” means a Municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment.

“CFO”	means the Chief Financial Officer of the Lesedi Local Municipality, a person designated in terms of section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003
“Child Headed”	means a household headed by a person younger than 18 years
“Consumer”	means any occupier of the premises to which the council has agreed to supply or is actually supplying municipal services, or if there is no occupier, then the owner of the premises.
“Council”	means- <ul style="list-style-type: none"> a) a municipal council as referred to in section 157 of the Constitution b) Lesedi Local Municipality exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated, or sub delegated, or an instruction given as contemplated in section 59 of the Act;
“Disabled”	means a household headed by a disabled person. (Physically or Mentally)
“Employed”	means a household earning an income that is below twice the state old age pension
“Household”	means all the people that reside in the dwelling.
“Indigent Households”	means households 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 Lesedi Local Municipality.
“Municipal Manager”	means the person appointed at Lesedi Local Municipality in terms of section 82(1)(a) or (b) of the Municipal Structures Act
“Occupant”	means any person who occupies any premises or part thereof, without regard to the title under which he/she so occupies.
“Pensioner”	means household of which the income is at the most twice old age state pension (75)
“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)

“Unemployed” means household of which there is no or very little income

“Youth Headed” means a household headed by a person between 19 and 35 years of age.

3. PURPOSE AND AIM OF THE POLICY

- a) The purpose of this policy is to ensure that the subsidy scheme for indigent households 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.
- b) 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 Lesedi Local Municipality.
- c) Lesedi 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

- a. 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.
- b. 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.
- c. 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, water and sewerage or 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 75 yrs.
- 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 (basic water BW, basic sewer BS, basic electricity BE, refuse removal RF), 6kl of water services and 50kWh of electricity services of the qualifying households. However, the applicants / the consumers (indigent) are liable for the difference of the consumers' account over and above the mentioned subsidies.

11. SERVICES THAT ARE SUBSIDISED

11.1 Water services

A subsidy of six (6) kilolitres of water per household per month will be allocated to an indigent household approved by Council.

11.2 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.

11.3 Basic services

Basic services subsidised are as follows:

- Basic water (BW)
- Basic Electricity (BE)
- Basic sewer (BS)
- Refuse removal (RF)

12. 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 Screening Committee for screening and approval purposes.

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

- The latest municipal accounts
- 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
- Documentary proof of income where possible
- 3 months Bank statement
- 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.

13. RE – APPLICATION FOR CONCESSION

Because circumstances of applicants will differ from time to time the following intervals during which each category of applicant may apply for an extension of the concession is recommended.

- Child /Youth Headed families : once in twelve (12) months
- Pensioner : once in twelve (12) months, affidavits not new application
- Disabled : once in twelve (12) months, affidavits not new application
- Unemployed : once in six (6) months
- Employed : once in six (6) months
- Special Pensioner : once in twelve (12) months

The onus will rest on the approved account holders to apply for relief upon expiry of the period of indigence.

14. DURATION OF RELIEF

- Indigent relief shall apply for a period of one (1) year except for unemployed and employed.
- Renewal of registration will take place on dates, times and places determined by the Council

15. SCREENING COMMITTEE / WARD COMMITTEE

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

- Ward Councillor
- One Representative from at least one religious organization in the community.
- A Social Worker from the Department of Community Services.
- A Representative of the Finance Department.
- A Representative of the Civic Association.
- A Representative from the Ward Committee.

16. ROLE OF WARD COUNCILLOR

The Ward Councillor will undertake the following functions:-

- Initiate the establishment of the Screening Committee.
- Co- ordinate activities of the Screening Committee and ensure effective functioning of the committee.
- Convene all meetings of the Steering Committee at least once per month.
- Communicate and ensure capacity – building to the Ward/s.
- Approve / disapprove all applications before it is submitted to the Finance Department.

17. TERMS OF REFERENCE

In relation to the powers and functions entrusted to the Screening Committee. 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:-

- The approved application form for indigents must be signed by the Screening Committee and finally by the Ward Councillor.
- to obtain all documentary evidence supportive of each application (household);
- to verify the accuracy and authenticity of all documentation and information obtained in each application;
- to interview each applicant with a view to obtain more comprehensive information concerning the application;
- to systematically complete the assessment checklist pertaining to each applicant;
- Each Screening Committee will finalize each application within sixty (60) days,
- The Ward Councillor should terminate services of the Screening Committee member whose performance is not satisfactorily.

18. 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 will be removed from the register for a maximum period of three (3) years. An appeal could be lodged with the Mayoral Committee.

19. REPORTING REQUIREMENTS

19.1 The Municipal Manager or delegated person shall report on a quarterly basis to Council, for the months concerned:

19.1.1 the number of households registered as indigents and a brief explanation of any movements in such numbers;

19.1.2 the monetary value of the actual subsidies and rebates granted;

19.1.3 the budgeted value of the subsidies and rebates concerned; and

the above information cumulatively for the financial year to date.

20. CONTROL MEASURES

20.1 The Department of Finance shall on monthly basis scrutinise the indigent register, to ensure:

20.1.1 that all subsidies are accurately allocated;

20.1.2 that the registered indigents are still in the status quo of the provisions of this policy;

20.1.3 that if the status quo of the registered indigent has changed, remove the indigent from the system. Give a notice to that effect.

20.2 The Screening Committee shall have a list of persons receiving relief under this Policy displayed at the main office of the Municipality at Main building in Heidelberg and the offices of local municipality's i.e. Ratanda, Devon, Impumelelo, Jameson Park and Vishkuil. The Municipality shall update the list on a quarterly basis.

21. RESPONSIBILITIES OF MUNICIPAL MANAGER

It shall be the responsibility of the Municipal Manager to:

21.1 Create, maintain and update a register of all debtors receiving indigent support subsidies from the Municipality in terms of this Policy;

- 21.2 Reflect the indigent status of debtors in the accounting records of the Municipality;
- 21.3 Advise and keep indigent debtors informed of the approval, amendment, suspension or withdrawal of an application for indigent support in terms of this Policy, and the conditions under which such support will be granted, including the renewal of indigent support applications;
- 21.4 Notify indigent debtors two (2) months before the expiry date;
- 21.5 Report any incidents of misuse of the Municipality's Indigent Support Programme to Council.

22. BUDGETING FOR INDIGENT SUPPORT

- 22.1 The Municipality shall budget annually for the total indigent support subsidy to be granted to indigent debtors in terms of this Policy.
- 22.2 The amount contemplated above shall be credited to the individual indigent debtor's accounts, by application of generally recognised accounting principles.

23. GENERAL

- a) That the Ward Committees be tasked to support the Screening Committees and CDW's.
- b) That the Screening Committee in (11) consist of a Ward Councillor, a representative from at least one religious organization in the community, a social worker, a representative of the Finance Department, a representative of the Civic/ Rate Payers Association, one person from the Ward Committee and a member of the Clinic Committee.
- c) That the Ward Councillor convenes a meeting with the Screening Committee on which meeting the indigents will be approved or rejected, where-after the ward Councillor will sign the documentation for approval.
- d) That the recommendations of the Screening Committee be reported to the Mayoral Committee, for approval.
- e) That Screening Committees prioritize recommendations of people who need help most (i.e. unemployed, pensioner, disabled)

- f) 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.
- g) The indigent household must inform the Council of any water leakages detected on their property to enable the Council to assist them with repairs of such.
- h) An applicant will be informed in writing whether the application has been approved or not.

24. REVIEW 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.

APPENDIX A: Application Form for Indigent Household Subsidy

RESOLUTION NO.: LC.MC-178/05/2013

FILE REFERENCE:

DATE: 31 May 2013