



# INDIGENT POLICY

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## NOTES

1. This is a budget-related policy within the definitions of such policies as provided in Section 1 of the MFMA, and this policy must therefore be reviewed, and revised if necessary, as part of each annual budget process.
2. This policy is part of the municipality's suite of revenue management policies (credit control and debt collection, rates, tariffs) and as the accounting officer (municipal manager) is charged with the responsibility for managing the municipality's revenues, the municipal manager is responsible for the implementation and administration of this policy.
3. As this policy cross-references to the other three revenue management policies it is essential that by-laws be adopted by the council also to give effect to this policy.

## DEFINITIONS

All material technical terms are defined in each appropriate section of the policy.

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## PART 1 OBJECTIVE

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality therefore adopts this indigency management policy to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

## PART 2 WHO QUALIFIES FOR INDIGENT SUPPORT

Households where verified total gross monthly income of all occupants over 18 years of age does not exceed R 2 800, or such other amount as the council may from time to time determine, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6 kl of water per month and 50 kWh of electricity per month free of charge.

However those Indigents falling within the jurisdiction of ESCOM as a service provider will get the free 50kWh from ESCOM who must in turn bill the municipality.

Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents shall qualify for the above concessions.

For a household to qualify for subsidies or rebates on the **major service charges** (see part 3 below), the registered indigent must be the full-time occupant of the property concerned, and if also the owner of the property

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concerned, may not own any other property, whether in or out of the municipal area.

For a household to qualify for a **rebate on rates**, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.

**Indigency relief shall apply for a period not extending beyond the financial year (01 July to 30 June) in which the particular household is registered as indigent.** Registration must be renewed in each registration programme if relief is to continue.

To register as an indigent, the relevant property owner or accountholder **must personally complete and sign the registration form** provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies. The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place. Registration will take place on dates and at times and places determined by the council, but shall generally be undertaken during April to June each year.

### PART 3 APPLICATION OF THE POLICY

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.

In respect of water, a 100% subsidy up to 6 kl per household per month will apply; however, if consumption exceeds 6 kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6 kl.

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In respect of electricity, a 100% subsidy up to 50 kWh per household per month will apply. If consumption exceeds 50 kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 50 kWh.

In respect of sewerage charges and charges for household refuse removal, the relief granted shall not be less than a rebate of 100% on the monthly amount (basic charge) billed for the service concerned.

In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R15 000.

### PART 4 NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigency relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.

The onus is on each registered indigent to advise the municipal manager of such failure to comply.

It may happen that even with the introduction of the indigent policy, certain households may fall into arrears in respect of the amounts due by them. The property owner or accountholder concerned will have to make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time determined by the municipal manager in terms of the municipality's credit control and debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided, and services may

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be terminated in terms of the municipality's credit control and debt collection policy.

The relief to indigents may be withdrawn at the discretion of the municipal manager if:

- a registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement;
- any tampering with the installations of the municipality is detected.

If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigency relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigency relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.

***Indigency relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.***

### PART 5 REPORTING REQUIREMENTS

The municipal manager shall report on a monthly basis to the mayor or council, as the case may be, for the month concerned and by municipal ward:

- the number of households registered as indigents and a brief explanation of any movements in such numbers;
- the monetary value of the actual subsidies and rebates granted;
- the budgeted value of the subsidies and rebates concerned; and the above information cumulatively for the financial year to date.

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The municipal manager or mayor, as the case may be, shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or more frequently to any ward committees if so requested.