



# **INDIGENT SUPPORT POLICY**

---

**TABLE OF CONTENTS**

1. DEFINITIONS .....	1
2. PURPOSE AND INTENTION OF THE POLICY .....	2
3. LEGISLATIVE AUTHORITY.....	2
4. QUALIFYING CRITERIA .....	3
5. SOURCE OF FUNDING .....	4
6. APPLICATION AND REGISTRATION PROCEDURE.....	4
7. INDIGENT SUPPORT BENEFITS .....	5
8. EXCESS USAGE OF ALLOCATION.....	6
9. AFFORDABILITY OF SERVICES .....	7
10. DURATION OF RELIEF .....	7
11. TERMINATION OF INDIGENT SUPPORT.....	7
12. RESPONSIBILITIES OF THE INDIGENT SUPPORT COMMITTEE ... <b>Error! Bookmark not defined.</b>	
13. COMPLIANCE AND ENFORCEMENT .....	8
14. CONCLUSION.....	8
15. EFFECTIVE DATE.....	9
16. POLICY ADOPTION.....	9

## 1. DEFINITIONS

In this policy unless the context indicates otherwise, the following definitions are applies: -

**“Free Basic Services”** means a municipal service, subsidized by Amajuba District Municipality that is necessary to ensure an acceptable and reasonable quality of life that if not provided, would endanger public health or safety of the environment. For the purposes of this policy: Free Basic Services” refers to the following services supplied by Amajuba District Municipality:

- Water
- Sanitation

**“consumption”** means the ordinary use of municipal services, including water and sanitation services for domestic, household and business purposes.

**“Council”** means the Council of Amajuba District Municipality.

**“income level”** means the total, combined income, from any source whatsoever, of the owner and/or all occupiers of a property, as determined according to national policy and guidelines and reflected in the Council’s Tariffs for Indigents

**“Indigent Households”** refers to the household that, due to a number of socio-economic factors, are unable to afford the full monetary contribution towards the services provided by Amajuba District Municipality.

**“Indigent Support”** refers to the amount of money allocated on a monthly basis to qualifying households to assist them in paying for basic services.

**“Indigent Support Application”** means the application form, approved by the indigent households support committee, required from all applicants for Indigent Households Support, a sample of this Application form is attached to and forms part of this policy.

**“Indigent Support Committee”** means the Ward Committee as constituted by the Councils of the respective local municipalities in terms of their ward committee system which will also

serve as the supervisory and oversight body to the administrative section responsible for processing Indigent Household applications.

**“Indigent register”** refers to the system used to record all applications, whether approved or not, received requesting Indigent Household Support.

**“Municipal Account”** means the monthly account or statement, sent out by Amajuba District Municipality or its appointed representative to all consumers of municipal services.

**“municipal services”** services provided by the Amajuba District municipality.

**“Relevant Section / Division”** means the administrative office or section of Amajuba District Municipality that is charged with the responsibility of receiving and processing all applications made with respect to Indigent Support.

## 2. PURPOSE AND INTENTION OF THE POLICY

- 1.1. The purpose of this policy is to outline the Indigent Support Policy of Amajuba District Municipality, and to set out the administrative and legislative procedures with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account.
- 1.2. The key purpose is to ensure that households with no or lower income are not denied *access to basic services*, and that the municipality is not burdened with non- payment of services. Provided that grants are received and funds are available, the indigent support policy should remain intact.
- 1.3. The Policy represents one element of Amajuba District Municipality's total “Free Basic Services” initiative.

## 3. LEGISLATIVE AUTHORITY

- 3.1. Section 97(1)(c) of the *Local Government Municipal System Act, 2000* states that a municipality must provide in its debt collection and credit control policy for indigent debtors in a manner that is consistent with its rates and tariff policies and any national policy on indigents.

3.2. Section 74.2(c) of the *Local Government Municipal System Act, 2000* states that a poor household must have access to at least one basic service through -

- (a) Tariffs that cover only operating and maintenance cost
- (b) Special tariffs or life line tariffs for low levels of use or consumption of services; and
- (c) Any other direct or indirect method of subsidization of tariffs for poor households.

3.3. In terms of section 27 of the South African Constitution Act, 1996(Act 108 of 1996), everyone has the right to have access to:

- a) Health care services
- b) Sufficient food and water; and
- c) Social security including, if they are unable to support themselves and their dependents, appropriate social assistance.

#### **4. QUALIFYING CRITERIA**

To qualify as an Indigent Household, the following requirements must be met:

- a) Only written applications for Indigent Households Support will be considered in the prescribed format laid down by the Council from time to time.
- b) The person/applicant applying on behalf of the household must be eighteen (18) years of age or older.
- c) Child headed households as defined and supported by the Department of Social Welfare shall also be considered for indigent support regardless of the age of the breadwinner.
- d) The person/applicant applying on behalf of household must either be the owner of the property residing at the property or the tenant residing at the property
- e) The person/applicant applying on behalf of the household must have an active municipal account.
- f) Only one application per household will be considered; a business, school, body associations; club or governing body shall not qualify for consideration.
- g) The Indigent Support will not apply to persons owning more than one property in the municipality.
- h) The gross household income per month must be less than the sum of two government monthly pensions per month, subject to periodic adjustments by the Council of Amajuba District Municipality.

---

## **5. SOURCE OF FUNDING**

- 6.1 The Council of Amajuba District Municipality will provide annually on the operational budget for the Indigent Support for water and sanitation.
- 6.2 Indigent support will be financed from a portion of the Equitable Share contribution received from the National Government.
- 6.3 Existing indigent arrears on the services covered by Indigent support may be written off against the provision for bad debts.

## **6. APPLICATION AND REGISTRATION PROCEDURE**

- 6.1 Only those residents who comply with the qualifications set out in section 4 above may apply for registration as indigent.
- 6.2 It is the responsibility for each applicant to ensure that applications/ renewals for Indigent Support reach the Municipality on/before 31 May each financial year. Late submission will not be accepted.
- 6.3 An account holder must apply in person by completing an Indigent Support Application at a service centre designated in their respective area and not any other place; and the following documentary proof will be required to be submitted with the Application.
- (a) Account holder's Identity Document.
  - (b) Most recent Municipal account.
  - (c) Documentary proof of total monthly income of the household (e.g. UIF card, salary advice, letter from an employer, etc.) or declaration to the effect that total income generated by the household is not more than the sum of two government monthly pensions per month.
  - (d) An application form indicating the names and identity numbers of all occupants/ residents over the age of 18 years, who reside at the property.
  - (e) A statement of monthly income and expenditure.
  - (f) A sworn affidavit to the effect that all information supplied is true and that income from all sources has been declared.
  - (g) A recommendation by a Ward Councillor.

- 6.4 The Indigent Support Application will be processed and information provided will be assessed and screened by a Department of Amajuba District Municipality as assigned by the Municipal Manager or a municipal agent appointed by the Municipal Manager from time to time.
- 6.5 The Chief Financial Officer delegated by the Accounting Officer must consider all applications prepared in such a format to demonstrate the applicants and indigent status and recommend such applications for approval by the Municipal Manager
- 6.6 The Accounting Officer will on recommendations approve / decline the application on solid grounds.
- 6.7 If an Application is favourably considered, a subsidy will only be granted for that municipal financial year for which the application relates to. The onus will rest on the approved account holder to apply for the relief on an annual basis.
- 6.8 Any re-application for Indigent support will not be approved if the consumer's account in respect of water and sanitation is higher than the Indigent Support approved by Council and not paid up.
- 6.9 Where a household becomes eligible for Indigent Support due to a deceased account holder, the person taking over responsibility for the household must open a new account with the municipality and apply for Indigent Support in the prescribed format. The deceased account will become inactive and must be closed in the appropriate manner determined by the municipality and in accordance with relevant legislation.
- 6.10 A household must immediately request de-registration if their circumstances have changed to the extent that the household no longer meets the requirements set out in this Policy. Failure to disclose will result in such a person being immediately liable to repay to the Municipality all the debt accumulated from such date of change in indigent status, and immediately removed from the indigent register of the Municipality. Such debt will be recovered in terms of the applicable Credit Control Debt Collection policy.

## **7. INDIGENT SUPPORT BENEFITS**

No amount shall be paid to any person or body, but shall be transferred as a credit towards the approved account holder's municipal services account in respect of the property concerned.

## **7.1 Free Basic Services**

### **7.1.1 Water**

Indigent debtors will receive 6kl of water free of charge on a monthly basis.

### **7.1.2 Sanitation**

Indigent debtors will receive a full rebate of the amount charged as described by the budget on a monthly basis.

## **7.2 Service delivery benefits**

The Municipality will take reasonable precaution within its means to ensure the minimization of loss or wastage of services at indigent households by installing restrictors or similar devices. This will ensure the limitation of the consumption of services and secure the affordability of monthly levies for that portion of services which are not discounted or exempted.

## **7.3 Principle of Payment for Services**

The policy on provision of services should endeavour to provide services in accordance with the amount available for subsidization. It is however important to note that the subsidy received, in the majority of cases, does not cover the full account. In such event the consumer is still responsible for the balance between the full account and the subsidy received. Special consideration of financial relief will be given to child-headed households where such households are in need of additional support in terms of basic services.

## **7.4 Other benefits**

Indigent households are entitled to all other benefits in terms of any of other approved policies of Council.

## **8. EXCESS USAGE OF ALLOCATION**

If the level of consumption of the indigent household exceeds the total package as approved by the Municipality, from month to month or exceeds the monthly charges raised on the indigent's accounts; the household will be obliged to pay the excess consumption on a monthly basis. Such accounts will be subject to the Municipality's credit control and debt collection measures.



## **9. AFFORDABILITY OF SERVICES**

In an attempt to make services more affordable to the indigent household, the following additional measures will be implemented:

### **9.1 Water**

Metered water should be reduced to 6kl's per month flow rate for poor households to address the affordability of their current monthly accounts.

The credit control measure will apply in instances whereby the indigent request Council not to install a restrictor in his/her household.

### **9.2 Finance**

No credit control measures will be instituted against Indigent Households for as long as the discounted monthly levies are paid in full.

## **10. DURATION OF RELIEF**

11.1. The indigent relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent

11.2. Registration must be renewed for each financial year if the relief is to be continued and the onus shall be on the account holder to renew registration as an indigent.

## **11. TERMINATION OF INDIGENT SUPPORT**

11.1 Upon the death of the account holder.

11.2 In a case where the beneficiary of Indigent Support has secure an employment, such employment remunerates a salary that is greater than the threshold set by Council, or the indigent status has changed for some reason, such person must immediately de-register from the indigent support programme.

- 11.3 If it is discovered later after approval that the person/ applicant applying on behalf of the household has supplied false information; this will also result in the household's municipal account being debited with all monies previously credited. In which case the following will apply:
- (a) All arrears will become payable immediately
  - (b) Credit control measures will apply and
  - (c) The applicant will not be eligible to apply for indigent support for a period of two years.
  - (d) Criminal charges may be laid against such occupier or property owner.
- 11.4 Upon the sale of property.
- 11.5 At the end of the 12-month cycle
- 11.6 If the account holder fails to pay for the account of his/her consumption or use of municipal service in excess of the indigent support or fails to honour any arrangement made by him/her for payment of arrears.

## **12. COMPLIANCE AND ENFORCEMENT**

- a) Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken as per the Municipality's disciplinary code of conduct.
- b) It will be the responsibility of Accounting Officer to enforce compliance with this policy.

## **13. CONCLUSION**

The Indigent support policy is only one element of Amajuba District Municipality's initiative for Free Basic Services.

The indigent support should be seen as a revenue protection mechanism for Amajuba District Municipality; the municipality and its officials must apply the policy fairly and consistently. For consistency to prevail; uniform standards and practices are being established in this Policy and must be adhered to.

In terms of section 17(1) (e) of the MFMA, this policy must be reviewed on an annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

#### **14. EFFECTIVE DATE**

The policy shall come to effect upon approval by Council.

#### **15. POLICY ADOPTION**

This Policy has been considered and approved by the **COUNCIL OF AMAJUBA DISTRICT MUNICIPALITY** as follows:

**Resolution No:**C124:30/05/2017

**Approval Date:** 30/05/2017