

LEPELLE – NKUMPI MUNICIPALITY



INDIGENT POLICY

2013-2014

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1. DEFINITIONS

- 1.1. “Arrangement” A written agreement entered into between the municipality and the debtor where specific repayment parameters are agreed to.
- 1.2. “Arrears” Means those rate and services charges that have not been paid by the due date.
- 1.3. “Constitution” The Constitution of the Republic of South Africa, Act No. 108 of 1996;
- 1.4. “Council” The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa Act 108 of 1996;
- 1.5. “Credit Control” All the functions relating to the collection of monies owed by ratepayers and the users of municipal services;
- 1.6. “Infrastructure” A building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;
- 1.7. “Indigent support” Support provided by Municipality for water, electricity, refuse removal and disposal, sanitation, rates and taxes and all related and ancillary services;
- 1.8. “Interest” A charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on all related and ancillary services;
- 1.9. “Municipal account” An account rendered specifying charges for services provided by the municipality, or any authorized and contracted service provider, and/or assessment rates levies;
- 1.10. “Municipality” the Lepelle-Nkumpi Local Municipality;

- 1.11. “Municipal Manager” The person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated;
- 1.12. “Municipal services” Those services provided by the municipality, such as , inter alia the supply of water and electricity, refuse removal and disposal, sewerage treatment, and for which services charges are levied;

2. PURPOSE

To determine how the municipality will assist members of the community that cannot afford basic municipal services as enshrined in the Constitution. To ensure that lives of the underprivileged members of the community are improved through provision of affordable and quality services.

3. BACKGROUND

Section 27(1)(b) of the South African Constitution Act,1996 (Act 108 of 1996) states that:

- Everyone has access to sufficient food and water.

Section 74.2© of the Local Government Municipal Systems Act,32 of 2000 states that :

- Poor households must have access to atleast basic services through
 - Tariffs that cover only operating and maintenance costs;
 - Special tariffs for basic levels of services; and
 - Any other direct or indirect method of subsidization of tariffs for poor households

Section 97(1)© of the above-mentioned Act states that a municipality must make provision for indigent debtors that are consistent with its rates and tariff policies and any national policy on indigents.

4. POLICY OBJECTIVES

The principles that underpin the development of this policy are:

- 4.1 The urgent need to address the high levels of poverty in communities within the municipality;
- 4.2 The Constitutional obligations of the municipality to provide basic municipal services to the poor in a sustainable and affordable manner.
- 4.3. To ensure that no member of the community is denied access to basic services as a result of inability to pay for such a service.
- 4.4 Ensure that every citizen have access to affordable basic services

5 DEFINITION OF AN INDIGENT

It refers to households who due to socio-economic factors are unable to make a full an required monetary contribution towards services provided by the Municipality.

The following are recognised as categories of indigents:

- A family with a household income of less than R3 500, irrespective of source of income.
- Child-headed families (Unemployed)
- Pensioners
- Orphans (Underage and/ Unemployed)

6 IDENTIFICATION OF AN INDIGENT

6.1 Any person may apply to the Municipality, in the manner prescribed below, to be registered as an indigent. If it is within the municipality's capacity, the following methods may be utilized as alternatives to self-targeting currently used by the municipality:

- 6.1.1 Survey by means of house to house
- 6.1.2 Data from Statistics South Africa.
- 6.1.3 Data extracted from the municipality's Valuation roll

6.2 The following requirements must be met before a person can be identified as an indigent:

- 6.2.1 The applicant must be over eighteen 18 years of age.
- 6.2.2 The total household income per month must be less than R3 500.
- 6.2.3 The applicant must occupy the site legally.
- 6.2.4 The applicant must be the owner/beneficiary of the property and not own any other

property within or outside the parameters of the municipality.

7 TERMS AND CONDITIONS

- 7.1 This indigent support is provided by the Municipality free of charge.
- 7.2 Excess consumption by the indigent consumer shall be payable by the consumer himself and will be levied on normal municipal tariffs.
- 7.3 The indigent support shall be provided to indigents that own only one property and at the property where the indigent currently resides;

For water supply, the indigent's supply may be restricted by a flow-control washer to be installed in the meter.

- 7.3 The indigent must be a South African or have South African permanent citizenship.
- 7.4 An indigent shall not be entitled to receive greater services than the value allocated as free basic services.
- 7.5 The indigent consumer or his family must inform the Municipality should the circumstances within the household change, e.g. financial status, employment status, death of the registered indigent, etc.
- 7.6 The indigent consumer must inform the Municipality of any tampering/vandalism that can be observed on the municipal devices(e.g. meter)
- 7.7 Upon approval, arrear accounts will be written off and the indigent consumer will be responsible for the current account. The consumer MUST complete a declaration form in which he/she accept liability of the current account.
- 7.8 The Municipality will inform the consumer, in writing about the status of the subsidy application.

8. INDIGENT SUPPORT

8.1 WATER SERVICES

- A 100% subsidy up to 12kl per household per month.

8.2 SANITATION SERVICE

- According to a tariff as determined by council.

8.3 REFUSE REMOVAL

- According to a tariff as determined by council.

8.4 ELECTRICITY

- A subsidy of 50kwh per household per month. Provision of Free Basic Electricity will be made by the electricity distributor (Eskom) and be paid for by the municipality.

8.5 ASSESSMENT RATES AND TAXES

- As per table below:

<p><u>REGISTERED INDIGENTS.</u></p> <p><u>Residential property owners who are both the permanent occupants and the sole owners of the property concerned and who are registered indigents in terms of the Councils indigent management policy.</u></p>	<p><u>100 % of the rates based on the rateable value up to R100 000</u> <u>and</u> <u>50 % of the rates based on the rateable value above 100 000 but below R150 000</u> <u>and</u> <u>75% of the rates based on the rateable value above R150 000.</u></p>
<p><u>AGED RESIDENTS-LOW INCOME</u></p> <p><u>Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned and whose aggregate joint household income is proved to be to the satisfaction of the municipal manager not to exceed R3 500 per month, or such other amount as the Council may from time to time determine. The applicants must apply to the Municipality on a prescribed form provided by the Municipality.</u></p>	<p><u>100 % of the rates based on the rateable value up to R100 000,</u> <u>50 % of the rates based on the rateable value above 100 000 but below R150 000</u> <u>and</u> <u>40% of the rates based on the rateable value above R150 000.</u></p>
<p><u>MEDICALLY UNFIT RESIDENTS</u></p> <p><u>Applicants who are:</u></p> <p><u>Medically unfit, disabled and retired due to medical reasons</u></p> <ul style="list-style-type: none"> • Applicants qualify irrespective the age on condition that a medical certificate be 	<p><u>100 % of the rates based on the rateable value up to R100 000,</u></p> <p><u>50 % of the rates based on the rateable value above 100 000 but below R150 000</u></p> <p><u>and</u></p>

<p>produced to Council.</p> <ul style="list-style-type: none"> • The maximum income must not exceed the perk laid down by Council from time to time. • The Applicant must be a registered owner of the property, living on the property and have occupied it for at least 5 years. • The Applicant cannot be a registered owner of more than one property in the Municipal area. <p>A rebate as determined on the above mentioned rates shall apply for residential applicants who qualify in terms of these criteria.</p>	<p><u>40% of the rates based on the rateable value above R150 000.</u></p>
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9. APPLICATION PROCEDURES

9.1 All persons must apply using the Application Form for Indigent Support which can be obtained at:

Physical Address:	Lebowakgomo Zone BA (Business Area) Civic Centre
Contact Person:	Chief Financial Officer
Telephone Number:	(015) 633-4500
Facsimile Number:	(015)633-6896
Postal Address:	Private Bag X07 Chuenespoort 0745

Alternative Points where forms can be obtained	
Physical Address:	Municipal Cultural Center Offices
Contact Person:	Indigent Officer
Telephone Number:	(015)633-6896
Postal Address:	Private Bag X07 Chuenespoort 0745

9.2 The forms can be requested telephonically or by facsimile at the numbers provided above.

9.3 The completed indigent application forms can be submitted in person at the Civic Centre.

9.4 The applicant must submit the following information:

- 9.4.1 A completed application form duly signed;
- 9.4.2 Proof of residence within the Municipality's jurisdiction;
- 9.4.3 A copy of the applicant's Identity document;
- 9.4.4 A sworn affidavit confirming the correctness of the information contained in the application form and the household income declared;
- 9.4.5 Proof of income (e.g. copy of latest pay slip, pension advice)
- 9.4.6 Proof of ownership of the property where services are to be provided.
- 9.4.7 A sworn affidavit by the tenants, if any confirming the amount of rent they pay to the indigent;
- 9.4.8 A social worker's report, if applicable and shall be provided at the request of the municipality;
- 9.4.9 Proof of registration as unemployed from the Department of Labour (in respect of unemployed)
- 9.4.10 Electricity and water meter numbers, if any;
- 9.4.11 Copy of latest bank statement(where applicable)

9.4.12 Recent municipal account/statement, if applicable;

9.5 An applicant who is an heir of a deceased person's (indigent) property must in addition to the information required above, provide:

9.5.1 A copy of death certificate;

9.5.2 A copy of Deed of Grant;

9.5.3 Proof that the property was inherited by the applicant, if applicable

9.5.4 Certificate of appointment as an executor of the estate of the deceased from the Magistrate, if applicable.

9.6 The Municipality may request any additional information which is considers necessary and may inspect the property occupied by the applicant and in respect of which municipal services are rendered or are to be rendered to assess the merits of the application

9.7 No person may to any degree or in any manner, deviate from the conditions of the municipality contained in this Policy, and any deviation shall constitute a contravention of this policy and consequently negates an approval or lead to the withdrawal of benefits.

10. RENEWAL OF APPLICATION

10.1 Registration of an indigent shall be done on a yearly basis. Applicants have up to the end of June every year to be considered as indigents for the preceding year.

10.2 Review of the indigents register will be done on yearly basis.

11. VERIFICATION OF INDIGENTS

11.1 The Municipality shall make public the indigents register for comments members of the community. The public shall be entitled to lodge objections to the register in respect of any person's qualifications as an indigent.

11.2 The Municipality may appoint inspectors, community development workers ward committees and/or councilors such means within its powers to verify any information supplied by an indigent pursuant to this Policy.

11.3 The municipality may verify the information provided by the applicant using the following:

11.3.1 Recommendation by ward councilors.

11.3.2 Publication of the compiled register in order for the public to comment and/or lodge objections.

11.3.3 Social workers report, if applicable verification done by the municipality, such as random or independent periodic checks.

11.4 The Indigent committee which comprises of the following people shall be formed:

11.4.1 A municipal Official

11.4.2 Ward Councillor

11.4.3 Community Development Worker

12. WITHDRAWAL OF INDIGENT SUPPORT

The Municipality shall be entitled to withdraw any approval and/or indigent support provided under the following conditions:

12.1 Failed to comply and/or contravenes the provisions of this policy or any other laws, regulations, by-laws;

12.2 Providing the Municipality with false and /or incorrect information (in this instance, the municipality shall claim all the benefits granted to the consumer).

12.3 Death of the person registered as indigent

12.4 Improvement of the indigent status, e.g. income, employment.

12.5 Any other circumstances which justifies the withdrawal of the indigent support but have not been specifically provided for in this policy.

12.6 Failure to pay for the excess consumption of subsidized services after a number of engagements with the consumer to do so.

13. APPEAL PROCEDURES

13.1 An unsuccessful applicant has a right to appeal, in writing against the decision of the municipality.

13.2 Appeals shall be coordinated by the municipal manager or any other forum which the municipality may establish for this purpose, unless the municipal manager was the decision maker in which event, the mayor shall be responsible for coordinating the appeals.

14. INDIGENT DEBTORS AND CREDIT CONTROL

14.1 The Municipality has the obligation to take effective action to address arrears owing to the municipality. Accordingly, indigents are:

14.1.1 Liable for any amounts due as a result of consumption in excess of the indigent support;

14.1.2 Normal municipality's tariff shall be applicable in respect to all excess consumption

14.1.3 Approved Municipal Credit Control Policy will be applicable to indigents who do not pay their accounts as required.

15. FUNDING

15.1 The indigent support provided in terms of this Policy shall be subject to the Municipality's ability to afford the support. The following are various sources of funding which the Municipality undertakes to use in order to fund indigent support:

15.1.1 The Equitable Share grant provided by the National Government for purpose of funding free basic services;

15.1.2 Cross subsidization between municipal services and within the limits of the Systems Act;

15.1.3 To the extent possible, the Municipality's revenue;

15.1.4 Any other grants which the Municipality receive and/or is able to source from donors for free basic services.

16. IMPLEMENTATION OF THE POLICY

16.1 This policy will be implemented as soon as approved by the council of Lepelle-Nkumpi Municipality.

16.2 This policy shall be known as Indigent Policy for Lepelle-Nkumpi Municipality.

17. CONCLUSION

Through this policy, the Council endeavour to achieve the following:

17.1 Ensure equitable treatment of all people residing within the jurisdiction of Lepelle-Nkumpi Municipality.

17.2 To improve the level of cost recovery for services rendered other than free basic services.

17.3 To promote consistency, clarity and achieve the mission and objectives of Lepelle-Nkumpi Municipality.

THE POLICY WAS APPROVED BY COUNCIL ON THE 30TH MAY 2013