



MTHONJANENI LOCAL MUNICIPALITY

INDIGENT SUPPORT POLICY

Revised and approved by the Mthonjaneni Municipal Council
On 28th May 2020

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PREAMBLE

In terms of section 74 of the Local Government Municipal Systems Act 2000, a municipal council (hereinafter referred to as the council) must adopt and implement a tariff policy. In terms of section 74(i) of the Act in adopting a tariff policy, the council should at least take into consideration the extent of subsidization of tariffs for poor households.

Arising from the above, the council needs to approve an indigent support policy. The indigent support policy must provide procedures and guidelines for the subsidization of basic services and tariff charges to its indigent households.

WHEREAS the Council has committed itself to render a basic level of services necessary to ensure an acceptable and reasonable quality of life for all its residents which takes into account health and environmental considerations

WHEREAS the Council has committed itself to charge for the rendering of basic services in a manner that ensures all residents can afford for such services and to ensure that for those consumers who are indigent and poor, services are free and subsidized;

WHEREAS Council needs to have an approved Indigent Support Policy .

WHEREAS such policy must provide procedures and guidelines for the provision of free services beyond the relief already provided by Councils universal relief for free and subsidised services contained in the Rates and Tariff Policies, specifically for a category of consumers who are classified as indigent.

NOW THEREFORE the Council of Mthonjaneni Municipality has adopted the Indigent Support Policy set out hereunder: -

1. DEFINITIONS

“Council” means the Mthonjaneni Local Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any officer to whom the Executive Committee has delegated any powers and duties with regard to this policy..

“Basic Municipal Services” –

Basic Municipal Services means a municipal service, subsidized by the municipality 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. For the purposes of this policy basic municipal services refers to the following services supplied by the municipality plus property rates:

- I. Electricity;
- II. Refuse Removal;
- III. Property Rates
- IV. Burial Assistance

“consumption” means the ordinary use of municipal services, including refuse removal and electricity services for domestic or household purposes.

“due date” means, in the absence of any express agreement in relation thereto between the Council and the customer, the date stipulated on the account and determined from time to time as the last date on which the account shall be paid.

“municipal services” means electricity, refuse removal services and indigent burial assistance provided by the municipality.

“refuse charge” means the monthly charge levied by the municipality for the removal of solid domestic waste.

“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.

“occupier” includes any person in actual occupation of a property without regard to the title under which he occupies, if any.

“owner” means the person in whom from time to time is vested the legal title to the property.

“Indigent Person”-for the purposes of this Municipalities Constitutional mandate will be a person responsible for the payment of services but who cannot afford to pay for such services.

“Social Package for Indigent Household”-

Social package means those municipal service delivery levels and financial benefits that the municipality can package together to the benefit of the qualifying residents who are captured on the Indigent Register for this Municipality.

“Tenant”-

Tenant in terms of this policy refers to a person residing on municipal owned property and who has a formal lease agreement with the municipality for housing purposes.

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Rural”-

Areas outside the formalized and the legislatively proclaimed township land and related suburbs.

“Free services”: means the extent of basic services including property rates which are provided to residents of the Municipality completely free of charges.

“subsidized services”:- means the discount provided to residents of the Municipality to the actual cost of basic services.

“Cost of services”: - means the cost per unit of measure for residential consumers for basic services and rate in the rand for property rates, which are based on annual adopted MTREF. Units of measure are:

- Property Rates: Rates in the Rand of municipal property valuation;
- Electricity : Rand per Kilowatt hour;
- Refuse: Rand per residential trolley bin;

“Child headed households”-

Child headed households for the purposes of this policy refer to households headed by a person under the age of 18, who permanently resides at the address of the household.

“Deemed Indigent Household”-

Means individuals who live together in a single residential property and **require additional** basic services for free over and above that which they automatically qualify for in terms of the Free and Subsidized Services charges offered by the Rates and Tariff Policies.

2. ABBREVIATIONS

- Municipality = Mthonjaneni Local Municipality
- MTREF = Medium Term Revenue Expenditure Framework
- MSA = Local Government Municipal Systems Act no. 32 of 2000
- MPRA = Local Government Municipal Property Rates Act no. 6 of 2004
- MFMA = Local Government Municipal Finance Act no. 56 of 2003

3. OBJECTIVES OF THIS POLICY

- 3.1 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 Indigent Management Policy to ensure that these households have access to at least basic municipal services.
- 3.2 The long term objectives is to move those who are indigent away from the need for free basic services and other support measures into a more positive developmental role as rate paying citizens of the community.
- 3.3 To provide a framework with which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
- 3.4 To determine the criteria for qualification of indigent and poor households;
- 3.5 To ensure that the criteria is applied correctly and fairly to all applicants.

4. QUALIFICATION FOR INDIGENT SUPPORT

- 3.1 Owners and/or occupiers of residential property within the municipal boundary who within a household earn a joint income of /less than the amount determined by Council R4000 per month shall qualify for indigent support as set out hereunder.
- 3.2 In the event that an account is rendered and is deemed not payable and the owner or occupier continues to qualify under the terms and conditions of this policy for indigent concessions ,no interest shall be raised on the account .However should the owner or occupier fail to comply with the terms and conditions of this policy and an account is rendered and deemed payable ,interest shall be raised on the full outstanding overdue account.

5. **Subsidy Allocations**

An indigent household shall qualify to receive subsidized services on the following terms and conditions.

(a) As per council approved tariffs that the determined annually

(b) Refuse Removal

Indigent consumers shall be subsidized to the extent determined annually by council

(c) Electricity

4.1. The indigent applicant may, on approval of his /her application for indigent support ,be registered in the register of indigents receiving electricity from ESKOM, the Municipality due to settle the portion of free electricity.

4.2.All indigent consumers shall receive the allocated 50kwh Free Basic Electricity per month as determined by National Government, when the free basic electricity is finished before the of the month ,the owners of properties buy their own tokens of electricity.

3.Free Basic Electricity subsidy not claimed ,in any calendar month will be forfeited,

(c) **Alternative Energy(Solar System)**

(a) The municipality may identify areas where there is a backlog of electricity supply and installation within Mthonjaneni municipality jurisdiction.

(b) The municipality may provide solar system to the households where thee is still a backlog of electricity supply and installation.

(d) BURIAL ASSISTANCE

- (a) Burial Assistance benefit worth of R1000 Grocery.
- (b) The burial support to include the funeral parlour cost limits:
 - Coffin cost R1500
 - Transport cost depends on the distance traveled
 - Maximum cost of burial support inclusive of all expenses must not exceed R5 000.

Supporting documents when applying for burial assistance:

- (a) Death Certificate
- (b) Letter from the ward councilor approving the request for burial assistance.
- (c) Declaration that the deceased is not covered by any funeral insurance.

6. BUDGETING FOR INDIGENT SUPPORT

The municipality must annually budget for the total indigent subsidy to be granted to indigent debtors in terms of this Policy, such amount must upon approval of the budget of the municipality be reflected against a separate vote in the name of indigent subsidy.

The total value of the indigent subsidies for all subsidized services and rates must be reflected against such indigent subsidy vote on a monthly basis.

7. REVIEWING AND AMENDMENT OF POLICY

The Council has the discretionary power to amend any clause ,stipulation or tariff embodied in this policy in the interest of all parties concerned at the annual budgetary review of policies in conjunction with the consideration of the annual budget.

8. COMMUNICATION STRATEGY AND SKILLS DEVELOPMENT

The Council shall with the aid of ward Committees ,embark on an extensive community communications programmer aimed at informing communities of the contents of this policy and the duty on them to pay services charge and contribute to the funds of the Municipality.

The council should endeavor to support and ,within its capacity ,access skills training and other education related programmers aimed at developing the indigent to become self sufficient and thereby reducing the rate of indigence,

9. **APPLICATION FOR INDIGENT SUPPORT**

(1) Indigents, whose level of income is less than the amount determined by Council as qualifying for indigent support, may apply in writing to the Council for such support.

(2) **And provide the following documents**

- Copy ID for Applicant
- Copy ID for Spouse
- Copy ID document for other household over age of 18
- Marriage Certificate
- Latest payslip (spouse &household) or Sassa card or Slip
- Proof of residence
- A copy of the most recent municipal account of the property or the correct account number and meter numbers
- An Affidavit if there is no pay slip
- The application must be made in the forms prescribed in the Annexure included in this policy at any of the offices of the Financial Services Department. Applicants will be assisted by staff from the Financial Services – Customer Service Section.

(2) Owners or occupiers who apply for such support shall be required to apply annually, in writing, for such support on the prescribed form.

(3) Only registered residential consumers of services delivered by Municipality qualify for support.

(4) No consumer conducting a business on a residential property, with or without special consent from the Council, shall qualify for assistance.

(5) Support in terms of this policy will only be provided to owners or residents who occupy the premises

10. DURATION OF RELIEF

5.1 Indigent relief shall apply for a period not extending beyond 24 months for which the particular household is registered as indigent. Existing indigent customers must re-apply each year to renew their indigent status. Applications for support must be made latest 31 May of each year.

11 . 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.

12 . ARREARS ON INDIGENTS ACCOUNTS

Arrears in respect of the indigent's municipal account prior to registration will remain as an outstanding debt once an application for indigent support has been approved.

The customer will be liable for an existing/ current debt.

An applicant who has been in an indigent support register for three years and failed to honor arrangement their arrears will be written off .

The value of write –off on arrears of indigent accounts will be as per council resolution from time to time

13 . **TERMINATION OF INDIGENT SUPPORT**

Indigent support will be terminated under the following circumstances:

- a) Death of the account holder. In the event that the approved applicant passes away, the heirs of the property must re-apply for indigent support provided that the stipulated criteria are met.
- b) End of the 24 month cycle.
- c) Upon change of ownership of the property in respect of which support is granted.
- d) When circumstances in the indigent household have improved in terms of gross income threshold as prescribed by Council.
- e) If the applicant is found to be dishonest about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:
 - i) All arrears will become payable immediately
 - ii) Credit control measures will apply and
 - iii) The applicant will not be eligible to apply for indigent support for a period of two years.
 - iv) Criminal charges may be laid against such occupier or property owner.
- f) Any tampering with the installations of the Municipality services is detected.
- g) When the indigent accountholder disposes of the property, either by sale or by means of donation.

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

14 . APPEALS

Any aggrieved person who was not successful in the application to be regarded as an indigent, may lodge an appeal to the Municipality within a period of 14 days from the date on which the aforesaid decision was communicated to the applicant.

15 . AUDIT VISITS

The Council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation or discontinuation of the registration or any subsidy.

16. COMPLIANCE AND ENFORCEMENT

- a) Violation of or non-compliance with this policy will 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.

17. EFFECTIVE DATE

The policy shall come to effect upon approval by Council of Mthonjaneni Municipality.

18. POLICY ADOPTION

This policy has been considered and approved by the council of Mthonjaneni municipality as follows :

Resolution No:.....

Approval Date:.....