

**GEORGE
MUNICIPALITY/
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**INDIGENT POLICY/
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INDIGENT POLICY

GEORGE MUNICIPALITY

PREAMBLE

Whereas the municipality receives an equitable share contribution from National Treasury annually;

And whereas the National Department of Provincial and Local Government has issued guidelines regarding indigent support;

And whereas the municipal council wishes to give access to basic services for all of its communities;

Now therefore the municipal council of **George Municipality** adopts the following Indigent Policy.

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DEFINITIONS

“household income” the income accruing to all owners/tenants of the household permanently residing at the address.

1. PURPOSES OF THE INDIGENT POLICY

(1) The purposes of the indigent policy are to:

- (a) provide basic services to the community in a sustainable manner, within the financial and administrative capacity of the municipality;
- (b) provide procedures and guidelines for the subsidisation of basic service charges to indigent households using the equitable share allocation, received from Central Government and other budgetary provisions; and
- (c) ensure affordability by subsidising tariffs calculated in terms of the municipality’s tariff policy and by setting appropriate service levels in accordance with the municipality’s service delivery plan.
- (d) The Council also recognises that many residents can simply not afford the cost of full provision of services and for this reason the Council will endeavour to ensure affordability through:
 - (i) Settings tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery; and
 - (ii) Determining appropriate service levels.

2. CRITERIA FOR QUALIFICATION

- (1) In order to qualify for indigent support the following criteria must be met:
- (a) The verified gross monthly income of all household occupants over 18 years of age may not exceed the amount approved by Council from time to time during the budget process.
 - (b) The accountholder or property owner must complete an official application form. (Annexure A)
 - (c) The applicant must be the full-time occupant and may not own any other property with in SA.
 - (d) Consumption may not exceed a three month average of 18 kilolitres of water and 450 units of electricity, inclusive of the free basic service grants.
 - (e) The application has been approved by the municipality after the information supplied has been verified.
 - (f) the use of the property must be residential.
 - (h) Where more than one household resides on the property, the following criteria will apply:
 - (i) When water and Electricity consumptions are metered separately – criteria 2(1)(d) will apply.
 - (ii) When water and Electricity consumptions are metered through one meter, additional usage of 6kl water and 70kwh unit's electricity per additional household will be allowed.
 - (i) Consumers will apply once for the indigent subsidy, where after an Annual Audit will be done to check if he/she is still indigent. This is to streamline the administration of the indigent processes.
 - (j) Applications for the indigent subsidy should be accompanied by evidence to verify the income of households.

(k) The write- off of indigent debts will be reversed in cases where the property concerned, is sold within 1 (one) year after the write- offs has been done.

(l) *Health care facilities where health care is provided:*

(i) *To qualify for the equitable subsidy, the health care provider must apply for the subsidy individually for every person who received a income to a maximum amount as determined by Council during the budget process.*

(ii) *The subsidy will be credited on a monthly basis on the municipal account of the health provider.*

3. EXTENT OF INDIGENT SUPPORT

- (1) Subsidies will be limited to rates, water-, refuse removal-, electricity- and sewerage disposal services.
- (2) Subsidies will be determined during the compilation of the annual budget.
- (3) The source of funding of the indigence subsidy is that portion of the equitable share contribution received from National Treasury and any additional provisions made by council and provided for in the annual operating budget.
- (4) The subsidy will only be credited to the qualifying customer's accounts until the amount provided on the budget has been exhausted.
- (5) In respect of water, a 100% subsidy up to 18 kl per household per month will apply.
- (6) In respect of electricity, a 100% subsidy up to 70kWh per month will apply.
- (7) In respect of refuse removal services a 100% subsidy will apply.
- (8) In respect of sewerage disposal services a 100% subsidy will apply.

- (9) If consumption per metering period (month) exceeds any of the norms stated in 3 (5) and 2(1)(d), usage will be restricted.
- (10) If a customer's consumption or use of municipal service is less than the subsidised service, the unused portion may not be accrued and the customer will not be entitled to a cash rebate in respect of the unused portion.
- (11) Annual service charges on the indigent's account will automatically be converted to monthly instalments.
- (12) The accounts of indigent households will be exempted from interest.
- (13) Where it occurs that consumers are minors due to circumstances, the support will be determined as per Council decision from time to time.
- (14) *Where water leakages occur at indigent households, such leakages can be repaired at Council's expense and the cost thereof recovered from the equitable share grant. The above recovery can only take place while sufficient equitable share fund are available.*
- (15) *Where electricity meter problems occur at indigent households, such problems can be repaired at Council's expense and the cost thereof recovered from the equitable share grant. The above recovery can only take place while sufficient equitable share fund are available.*
- (16) *Health care facilities where health care is provided:-*
 - (a) *R100 per month per tenant with an income determined by Council during the budget process.*

4. ARREARS ON INDIGENT ACCOUNTS

- (1) Once an application for indigent support has been approved all service related arrears (Rates, water, electricity, refuse removal and sewerage disposal) on the consumer account will be written off.

- (2) Arrears related to housing instalments or rent will be recovered through the electricity prepayment meter.
- (3) Customers who qualify for an equitable share subsidy will be placed on restricted service levels in order to limit further escalation of debt. Where a qualifying customer's account is paid in full at the date of application, or regularly maintains a paid up monthly account including any arrangement for arrear debt, after receiving the subsidy, the restriction on service levels will be waived up to the maximum levels specified in 3.(5) to 3.(8) above.
- (4) Customers who qualify for equitable share subsidy and are still in arrears, will be placed on the pre-paid services system whereby 50% of electricity purchases be allocated to the arrear debt. Where a qualifying customer's account is paid in full or regularly maintains a paid up monthly account, after receiving the subsidy, the levy on the pre-paid services will be removed.

5. (NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

- (1) 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 will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary account holder for the financial year concerned.
- (2) The onus is on each registered indigent to advise the municipal manager of such failure to comply.
- (3) The indigent status of a customer will be reviewed from time to time, at intervals as determined by Council. This could be done by either physical audit or external verification check (ITC – Credit Bureau). Should the requirements not be met, the subsidy for that consumer will be cancelled.
- (4) 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 the municipality with immediate effect all indigent relief received and debt written off from the date of such fraudulent registration. Moreover, such person may not again be considered for indigent relief for a period extending for five years beyond the financial year in which the misdemeanour was detected.

6. REPORTING REQUIREMENTS

- (1) The municipal manager shall report on a monthly basis to the executive mayor for the month concerned and by municipal ward:
 - (a) the number of households registered as indigents and a brief explanation of any movements in such numbers;
 - (b) the monetary value of the actual subsidies and rebates granted;
 - (c) the budgeted value of the subsidies and rebates concerned; and
 - (d) the above information cumulatively for the financial year to date.
- (2) The executive mayor shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or monthly frequently to any ward committees, when applicable.

7. SHORT TITLE

- (1) This policy shall be called the Indigent Policy of the George Municipality.

Approved per item 5.3 – 30 May 2011 – Special Council Meeting

APPLICATION FORM

SECTION A – ACCOUNT INFORMATION:

Account Name:	Date of application:
Account Number:	Street Name:
Erf no:	House number:
Pre-paid number:	
Total Valuation R100 000 Y / N	Tax Rebate form: Y / N

SECTION B - TERMS AND CONDITIONS:

- Households have to limit their consumption in order to qualify for the monthly subsidy. Water is limited to a maximum of **18 kiloliters per month** and electricity purchases to a maximum of **450 units per month**. If consumption is in excess, the subsidy will be cancelled.
- The total household income **should not exceed R4 000** (as per 2011/2012 tariffs). It is the responsibility of the consumer to inform the Municipality of any change in financial status.
- External verification will be done using the ITC as well as physical audits to confirm the household's financial status. Upon signing of this application, the consumer gives consent to such checks.
- Due to the uncertainty of the availability of funds, the amount of allocation as well as the period of payment cannot be guaranteed by George Municipality.
- False information or the withholding of information will disqualify anyone from further participation in the subsidy scheme, with the liability of immediate repayment of all allocations received plus interest and the risk of possible criminal proceedings being instituted;
- Should the gross income of a household increase and thereby exceed the approved limit during the subsidy time period (Increases, no longer unemployed), the registered consumer must immediately inform the municipality. Failure to comply could result in the repayment of all allocations plus interest and the risk of possible legal steps being instituted.
- The information contained in this document is not confidential. A list of approved applicants can be handed to councillors for comments, as well as publicly displayed.
- The successful applicant could also qualify for certain debts to be written off on their account.
- The George Municipality reserves the right to collect any outstanding debts on the account by means of the pre-paid services, in a portion not excessive in relation to the purchases made by the account holder.

I, hereby declare that I am the registered owner/lessee of the above erf and that the said property is inhabited and controlled by me. I further declare that I fully realize that should any of the above information be found to be incorrect or false, I shall be responsible for the

repayment of any allocation received plus interest, as well as any debt written off, and I acknowledge that legal steps for the fraudulent declaration, could be instituted against me. I confirm that I have read, understood and accepted the terms and conditions stated above.

Declared and signed at on the day of
20.....

.....
.....

SIGNATURE OF APPLICANT

WITNESS

SECTION C - PERSONAL INFORMATION:

Surname:	Christian Names:
Residential Address:	Postal Address:
Contact Number:	Marital Status: Married / Single / Divorced / Widowed

<u>Husband:</u> Birth date:	<u>Wife:</u> Birth date:
ID number:	ID number:
Pension number:	Pension number:

SECTION D – FINANCIAL INFORMATION

Details of Gross Monthly Income (in Rands)	Husband	Wife	Children living with parents	Other	TOTAL
a) Salary	R	R	R	R	R
b) Wage	R	R	R	R	R
c) Interest	R	R	R	R	R
d) Dividends	R	R	R	R	R
e) Pension : Employer	R	R	R	R	R
Disability	R	R	R	R	R
Old Age	R	R	R	R	R
War Veteran	R	R	R	R	R
f) Board / Rental	R	R	R	R	R
g) Child support	R	R	R	R	R
h) Informal / Casual work	R	R	R	R	R
i) Other	R	R	R	R	R
Total Gross Monthly Income					

SECTION E - CHECKLIST:

	Please Tick
ID document	
Documentary proof of total gross income of household namely account holder, spouse and persons older than 18 years of age (including children) residing on the premises.	
List of all residents on premises . (Ages must be specified, and copies of Identity Documents attached).	
Proof of pension/grants.	
Proof of unemployment. Department of manpower and/or unemployment insurance certificate original letter of religions leader to confirm unemployment and sworn affidavit by applicant.	
Birth certificates / ID documents of dependant children as well as a court order which confirms guardianship.	
If owner of motor vehicle , full particulars as well as means of finance .	
Latest municipal rates and services account .	
Copy of Pre-paid electricity slip	
Others: Specify:	

Office Use Only:

Approved / Declined	Date:
Reason if declined:	Date of Letter:
Indigent Register Number:	
Water Consumption :	Electricity Consumption :