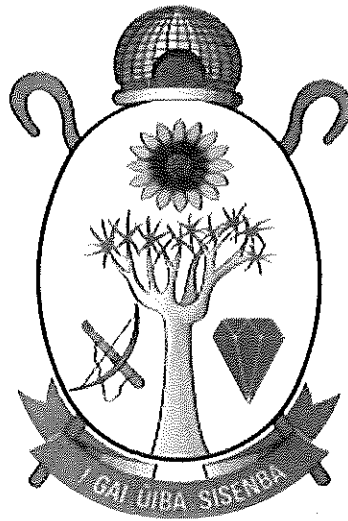


NAMA KHOI MUNICIPALITY



INDIGENT SUPPORT POLICY

2023/24

VERSION 1

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1 PREAMBLE

- 1.1 The Municipality aims to give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1)(b) and 153(b) of the Constitution.
- 1.2 Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads.
- 1.3 The Constitution recognises local government as a distinct sphere of Government and as such also entitles to a share of nationally raised revenue, which will enable it to perform their basic function of providing essential services to the community within their boundaries.
- 1.4 The Municipality hereby provides the Indigent Support Policy to ensure that households with no or lower income levels are not denied reasonable basic municipal services, while at the same time ensuring that the Municipality is not financially burdened with non-payment of services.

2 PURPOSE

- 2.1 The purpose of this Policy is to ensure that the indigent support subsidy scheme forms part of the financial management system of Municipality and to ensure that the same procedure is followed for each individual case. In this regard, the objectives of this Policy are as follows:
 - (a) The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Municipality;
 - (b) The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross-subsidisation;
 - (c) Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and an exit strategy;
 - (d) The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;

- (e) To ensure cooperative governance with other spheres of government; and
- (f) To enhance the institutional and financial capacity of the Municipality to implement the Policy.

3 SCOPE OF APPLICATION

- 3.1 This Policy applies to all administrations within the defined boundaries of the Nama Khoi Municipality and all customers of such administrations.
- 3.2 The Policy is enshrined in terms of the Local Government: Municipal Systems Act 32 of 2000 and is binding on the public, municipal officials and councillors of the Municipality and no interference in any of the processes provided for in the Policy is permitted.
- 3.3 This Policy is applicable until such time as it is reviewed and any revisions to this Policy approved by Council.
- 3.4 All acts performed in terms of the Policy will not be invalidated due to the timing differences between approval and promulgation. All acts performed as mentioned in the previous paragraph will be ratified with the promulgation of this Policy.
- 3.5 The Municipality reserves the right to differentiate between different categories of customers, debtors, services or service standards when applying this Policy. The Municipality will in the application of this Policy avoid unfair discrimination as contemplated in the Constitution.

4 LEGISLATIVE AND POLICY FRAMEWORK

The legislative and policy framework for this Policy includes –

- Constitution of the Republic of South Africa Act, 1996
- Deeds Registry Act 47 of 1937
- Electricity Regulation Act 4 of 2006
- Local Government: Disciplinary Regulations for Senior Managers, 2010
- Local Government: Municipal Demarcation Act 27 of 1998
- Local Government: Municipal Finance Management Act 56 of 2003
- Local Government: Municipal Property Rates Act 6 of 2004
- Local Government: Municipal Structures Act 117 of 1998
- Local Government: Municipal Systems Act 32 of 2000
- Promotion of Access to Information Act 2 of 2000
- Promotion of Administrative Justice Act 3 of 2000

- Water Services Act 108 of 1997
- Nama Khoi Municipality Credit Control and Debt Collection Policy
- Nama Khoi Municipality Delegation Policy
- Nama Khoi Municipality Property Rates Policy
- Nama Khoi Municipality Tariff Policy
- Nama Khoi Municipality Tariffs, Credit Control and Debt Collection By-Law
- Nama Khoi Municipality Writing Off of Irrecoverable Debt Policy

5 DEFINITIONS

In this Policy, unless the context dictates otherwise, any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act 32 of 2000 has that meaning, unless the context indicates otherwise, and –

“account” means an account rendered specifying charges for municipal services provided by the Municipality, or any authorised and contracted service provider, and which account may include assessment rates levies;

“accounting officer” means the Municipal Manager;

“annual budget” means the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget;

“annually” means once every financial year;

“arrangement” has meaning ascribed to it in the Credit Control and Debt Collection Policy;

“arrears” means those rates and service charges that have not been paid by the due date and for which no arrangement has been made;

“basic municipal services” means municipal services necessary to ensure an acceptable and reasonable quality of life, which service, if not provided, would endanger public health or safety or the environment;

“By-law” means legislation passed by the council of the Municipality, and which is binding on the Municipality and on the persons and institutions to which it applies;

“calendar year” means 12 consecutive months of a financial year;

“Chief Financial Officer” means the person appointed as the Chief Financial Officer of the Municipality;

“child-headed household” means a household headed by a child as defined in section 28(3) of the Constitution and a household in which –

- (a) the parents of the household have died;
- (b) a minor has assumed the role of caregiver in respect of another minor in the household;
- (c) such minors reside permanently on the property; and
- (d) the situation pertaining to the household has been verified by a social worker;

“consolidated account” means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality;

“Council” means the Municipal Council of Nama Khoi Municipality established in terms of section 157(1) of the Constitution;

“councillor” means a member of the Council of the Nama Khoi Municipality, and includes, but is not limited to, the Mayor and the Speaker;

“credit control” means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services;

“customer” means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the registered owner of the premises and includes any customer of the Municipality;

“day” means calendar day, inclusive of Saturdays, Sundays and public holidays;

“Disciplinary Regulations for Senior Managers” means the Local Government: Disciplinary Regulations for Senior Managers, 2010;

“due date” in relation to –

- (a) rates due in respect of any immovable property, means –
 - (i) the 30th day of September of the financial year for which such rate is made, in the case where rates are levied on an annual basis;

- (ii) the date for payment indicated on the account, in the case where rates are levied on a monthly basis; or
 - (iii) any other date determined by Council in terms of a public notice in the Provincial Gazette; and
- (b) service charges due in respect of any immovable property, means the date for payment indicated on the account, provided that the due date for any service charges means the 25th day of each month. September in the case where service charges are levied annually; and
- (c) should such day fall on a Saturday, Sunday or public holiday the due date is the next working day;

“financial year” means the period starting from 1 July in any year and ending on 30 June of the following year;

“household” means a registered owner or tenant with or without children who reside on the same premises;

“immovable property” also includes –

- (a) an undivided share in immovable property, and
- (b) any right in immovable property;

“indigent” means any household or category of households, earning a combined gross income, as determined by the Municipality annually in terms of a social and economic analysis of its area, which qualifies for rebates or remissions, support or a services subsidy: Provided that child support grants are not included when calculating such household income;

“indigent customer” means the head of an indigent household –

- (a) who applied for and has been registered as an indigent customer in terms of this Policy; and
- (b) who applied for indigent support in terms of this Policy on behalf of all members of his or her household;

“indigent support subsidy scheme” means the structured scheme for the provision of indigent support subsidies to qualifying indigent customers in terms of this Policy;

“local community” in relation to the Municipality –

- (a) means that body of persons comprising –
 - (i) the residents of the Municipality; the rate payers of the Municipality;
 - (ii) the rate payers of the Municipality;
 - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and
 - (iv) visitors and other people residing outside the Municipality, who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and
- (b) includes, more specifically, the poor and other deprived sections of such body of persons;

“month” means one of twelve months of a calendar year;

“Municipal Manager” means the Municipal Manager contemplated in section 54A of the Local Government: Municipal Systems Act 32 of 2000;

“Municipal Property Rates Act” means the Local Government: Municipal Property Rates Act 6 of 2004;

“municipal services” means services provided either by the Municipality or by an external agent on behalf of the Municipality in terms of a service delivery agreement;

“Municipal Systems Act” means the Local Government: Municipal Systems Act 32 of 2000;

“municipal tariff” means a tariff for services which the Municipality may set for the provision of a service to the local community and may include a surcharge on such service, and **“tariff”** has a corresponding meaning;

“Municipality” means the Nama Khoi Municipality;

“municipal area” means the geographic area, determined in terms of the Local Government: Municipal Demarcation Act 27 of 1998 as the municipal area pertaining to the Municipality;

“occupier” means any person who occupies, controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it;

“person” means a natural and juristic person, including any department of state, statutory bodies or foreign embassies;

“premises” includes any piece of land, the external surface boundaries of which are delineated on –

- (a) a general plan or diagram registered in terms of the Land Survey Act 8 of 1977 or in terms of the Deeds Registry Act 47 of 1937; or
- (b) a sectional plan registered in terms of the Sectional Titles Act 95 of 1986, and which is situated within the area of jurisdiction of the Municipality;

“prescribed” means prescribed by this Policy and where applicable by Council or the Municipal Manager;

“Programme Officer” means an official duly authorised by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible to –

- (a) ensure that applications for indigent support are received, assessed and submitted for consideration and approval;
- (b) ensure that indigent customers are registered on the financial management system;
- (c) ensure that information on applications are verified and that regular audits and reviews are conducted;
- (d) ensure the effective and efficient functioning of the indigent support subsidy scheme; and
- (e) perform such other duties as provided for in this Policy;

“property” means immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

“public holiday” means any day that is a public holiday in terms of the Public Holidays Act 36 of 1994;

“ratepayer” means a person who is liable to the Municipality for the payment of –

- (a) rates on property in the Municipality;
- (b) any other tax, duty or levy imposed by the Municipality; and/or
- (c) fees for services provided either by the Municipality or in terms of a service delivery agreement;

“rates” means municipal rates on property envisaged in section 229(1) of the Constitution read with the Local Government: Municipal Property Rates Act 6 of 2004 and the Local Government: Municipal Finance Management Act 56 of 2003;

“rebate” in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Local Government: Municipal Property Rates Act 6 of 2004 on the amount of the rate payable on the property;

“refuse charges” means service charges in respect of the collection and disposal of refuse;

“registered owner” means the person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act 47 of 1937;

“service charges” means the fees levied by the Municipality in terms of the Tariff Policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this Policy;

“service delivery agreement” means an agreement between the Municipality and an institution or person contemplated in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000; and

“sewerage charges” means service charges in respect of the provision of sewerage collection and treatment of infrastructure.

6 PRINCIPLES

6.1 The Municipality undertakes to promote the following principles:

- (a) To ensure that the portion for free basic services allocated as part of the equitable share received annually is utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- (b) To link this Policy with the Municipality's Integrated Development Plan (IDP), local economic development (LED) initiatives and poverty alleviation programmes;
- (c) To promote an integrated approach to free basic service delivery; and
- (d) To engage the community in the development and implementation of this Policy.

7 INSTITUTIONAL ARRANGEMENTS

7.1 The Municipality must –

- (a) designate existing staff members, appoint officials and/or engage appointed community development workers who have been trained in terms of the Municipality's directions to assist with the implementation of this Policy; and
- (b) establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

7.2 The Income Department is responsible for the review process of the indigent support subsidy scheme. The unit includes Head of Income, service point heads and the debtors clerk.

7.3 The Municipality must assign service point heads to assist with the application and review process of the indigent support subsidy scheme.

7.4 Community development workers stationed at service points must assist both service point heads and community members in the application and review process.

7.5 An Indigent Assistance Committee must be established for each ward. Each Committee must consist of –

- (a) three members from the ward nominated annually by the ward councillor concerned and submitted to the Council for approval for appointment via the Programme Officer; and
- (b) the Ward Councillor, acting in a monitoring capacity only.

7.6 An Indigent Assistance Committee must meet regularly, but at least once per month.

8 COMMUNICATION STRATEGY

8.1 The Municipality must develop a communication strategy in terms of which communities are informed and educated in order to have a clear understanding of this Policy and its implementation.

8.2 Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidies as well as service delivery in general. Methods of communication may include, but are not limited to –

(a) ward committees;

(b) community based organisations;

(c) local radio stations and newspapers;

(d) municipal accounts;

(e) imbizos and road shows; and

(f) jamborees where government and municipal officials are available to assist residents with applications, e.g. identity document, pension and social grant applications, etc.

8.3 Application for indigent support and registration takes place on a continuous basis and in accordance with the programme of quarterly targeted audits and reviews. The Municipality may decide to launch special registration campaigns from time to time.

8.4 The Municipality must provide assistance to persons who cannot read or write, at such times and places as specified in public notices.

9 TARGETING

9.1 The effective targeting of indigent households and the implementation of this Policy depends largely on the social analysis included in the IDP, the LED initiatives and other poverty relief programmes of the Municipality. The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent households. Against the background of such socio-economic

analysis, the Municipality must, within its financial and institutional capacity, decide which targeting approach or option should be applied.

9.2 The Municipality may apply the following targeting methods:

No.	Targeting approach	Application
(a)	Service levels	Lowest service levels normally in informal settlements and rural areas.
(b)	Property value	Applicable only to indigent customers in respect of subsidised or RDP housing to a value determined in addition to the R15 000 in terms of the Property Rates Act.
(c)	Household income	Threshold must be determined in terms of socio-economic analysis equalling two state pension grants per indigent household or an amount determined by the Council from time to time.
(d)	Geographical (zoning)	Specific areas (rural or urban) where households are regarded as poor irrespective of service level.

9.3 For the 2023/24 financial year, the Municipality utilises household income as targeting approach for the registration of indigent households. The general threshold for indigent support is restricted to qualifying households with a combined income amount determined by Council at the beginning of every financial year and is applied for the duration of that particular financial year.

9.4 The monthly household income threshold and corresponding indigent support subsidy per household for the 2023/24 financial year are as follows:

Category: R0 to R 4 050.00 per month – 100% of indigent support.

10 QUALIFICATION CRITERIA

10.1 GENERAL QUALIFICATION CRITERIA

10.1.1 Qualification criteria for indigent support is determined by the Municipality from time to time, provided that until the Municipality determines otherwise, the following criteria apply:

- (a) The applicant must be a resident within the Nama Khoi municipal area.

- (b) The applicant must be in possession of a valid South African identity document.
- (c) The total monthly gross income of the registered owner, occupier or tenant and his or her spouse or life companion may not be more than an amount (i.e. the income threshold) as determined by Council at the beginning of every financial year and published in terms of this Policy.
- (d) The applicant must be the registered owner, tenant or occupier who receives municipal services and is registered as an account holder on the financial management system.
- (e) Any occupant or resident of the single household referred to above may not own more than one property in addition to the property in respect of which indigent support is provided.
- (f) A tenant or occupier may only apply for the indigent support in respect of the charges he or she is billed for, while the registered owner remains liable for all ownership related charges such as rates.
- (g) The current account of a deceased estate may be subsidised if the surviving spouse or dependents of the deceased who occupy the property applies for such assistance.

10.1.2 A retired person over the age of 65 years who exceeds the income threshold may apply for special support from the date of retirement.

10.1.3 A person with a terminal illness who exceeds the income threshold may, subject to providing proof of such illness, apply for special support.

10.1.4 A disabled person who exceeds the income threshold may, subject to providing proof of such disability, apply for special support.

10.2 CHILD-HEADED HOUSEHOLDS

10.2.1 Child-headed households are treated as special cases of indigent households subject to the following conditions:

- (a) The children occupy the property as their normal residence.
- (b) The children may not be older than 18 years.

- (c) The children must be a scholar or unemployed.
- (d) The household must be in receipt of a total monthly household income from all sources not exceeding an amount of two old age state pensions.
- (e) The situation pertaining to the household must be verified in writing by a registered social worker and the ward councillor concerned.
- (f) In the case where an executor of an estate is appointed and has jurisdiction over the minor children, the executor is required to make provision for payment of the consolidated account. The consolidated account may continue in the name of the deceased parent until the estate is transferred to the heir or heirs of the estate.
- (g) The oldest child must sign the user agreement assisted by his or her appointed legal guardian.
- (h) The property may not be occupied by any person other than the minor dependent children of the deceased registered owner and/or tenant.
- (i) The status of the child-headed household must be reviewed in terms of this Policy at least on a three monthly basis.

10.3 SPECIAL CONSIDERATIONS

10.3.1 If an applicant falls under any of the following categories, the application for indigent support must first be approved by the Executive Mayor:

- (a) A consumer that has more than one building (flats, Wendy houses etc.) on the same property and that rents out such building.
- (b) A consumer that owns a mobile or operates a mobile on his/her premises.
- (c) Any other applicants or applications identified by the Council.

11 APPLICATION PROCESS

11.1 APPLICATION AND REGISTRATION

11.1.1 A person applying for indigent support must complete a formal indigent support application form as prescribed by the Municipality.

11.1.2 Such forms are available at approved registration points provided by the Municipality.

11.1.3 Applications for indigent support must be accompanied by the following documentation:

- (a) The latest municipal account for the household.
- (b) Proof of identity of the occupier.
- (c) Proof of income of all occupants on the property, i.e. a letter from the employer, salary slip, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as "looking for employment", death certificate, copy of lease agreement, letter from the registered owner to confirm property is leased, affidavit in cases where consumer is unemployed.
- (d) In the case of a consumer with a terminal illness, medical proof of such illness.
- (e) Sworn affidavit to the effect that all information supplied is true and that all income, i.e. from formal and/or informal sources, is declared.
- (f) Permission that the Municipality may verify the information provided by the applicant.
- (g) Permission to publish his or her name and address on a register, open for public perusal and comment, who receive indigent support in terms of this Policy.

Non-compliance with any of the above requirements invalidates an application.

11.1.4 The Municipality reserves the right to –

- (a) verify the information supplied on the application form against the information of any other institution (e.g. SARS, credit bureaus, banks etc.); and

- (b) send officials or agents to a premises or household that applies for or receives indigent support for the purpose of conducting an onsite audit of the details supplied.

11.1.5 Supplying incorrect information and misuse of the indigent support subsidy scheme lead to termination of indigent support as contemplated in clause 13.11.

11.2 REGISTRATION AND VERIFICATION

11.2.1 The Programme Officer must verify all information provided as part of the application.

11.2.2 Once the verification has been completed, the Programme Officer must submit the application and his or her recommendation to the relevant Indigent Assistance Committee.

11.3 CONSIDERATION, ASSESSMENT AND APPROVAL

11.3.1 An Indigent Assistance Committee must consider each application submitted by the Programme Officer, and assess each such application in terms of the information received and any other knowledge or information which members may have in respect of the applicant.

11.3.2 The nominated members of an Indigent Assistance Committee must make a recommendation on the application. The recommendation must be signed off by the ward councillor concerned, and submitted to Council for approval via the Programme Officer.

11.3.3 The Programme Officer must register and capture an approved application in the register of indigent households and on the financial management system.

11.4 RIGHT OF APPEAL

11.4.1 In the case of an application not being recommended by the Indigent Assistance Committee, the applicant concerned must be notified in writing of the decision.

11.4.2 An applicant may appeal such a decision in writing to the Chief Financial Officer for a decision. The applicant concerned must be notified in writing of the decision.

11.4.3 An applicant who feels aggrieved by a decision taken by the Chief Financial Officer in respect of his or her indigent support application may lodge an appeal in terms of section 62 of the Municipal Systems Act.

11.5 COMPLAINTS AND COMPLAINTS MANAGEMENT

11.5.1 A person who wishes to lodge a complaint in respect of an indigent support application or the review process must do so in writing.

11.5.2 A complaint must be addressed to the Municipal Manager.

11.5.3 A complaint must be processed in accordance with the standard complaint procedure of the Municipality.

12 EXTENT OF INDIGENT SUPPORT FOR CURRENT FINANCIAL YEAR

12.1 GENERAL ARRANGEMENTS

12.1.1 The extent of the monthly indigent support is based on budgetary allocations for a particular financial year and the tariffs determined for each financial year. Within the budgetary process and in striving to create a situation where poor households are granted access to a full social package, assistance and support to households may be granted for the current financial year as set out below.

12.1.2 Indigent support subsidies may not be more than the applicable tariff for that year and is applied for the duration of that particular financial year. Indigent support subsidies form part of the Tariff Policy applicable for the financial year.

12.2 ELECTRICITY

12.2.1 A registered indigent household is fully subsidised for the basic charge for electricity and receives 50 kWh of electricity per month fully subsidised.

12.2.2 Unused free electricity units may not be carried over to the next month. In the event of electricity supplied by Eskom directly, the Municipality pays over an amount to Eskom equal to 50 kWh of electricity per month based on the

customers registered as indigent customers with the Municipality (not based on any indigent records submitted by Eskom).

12.3 WATER

12.3.1 A registered indigent household is fully subsidised for the basic charge for water and receives 6 kilolitres of water per month fully subsidised.

12.3.2 The Municipality will also provide public standpipes for water where necessary.

12.4 SEWERAGE

12.4.1 A registered indigent household is fully subsidised for the sewerage charge levy.

12.5 REFUSE REMOVAL

12.5.1 A registered indigent household is fully subsidised for the basic levy for refuse removal for one service connection.

12.5.2 This currently equates to four removals every month which equals one removal per week.

12.6 PROPERTY RATES

12.6.1 A registered indigent household receives a 10% rebate on rates for the property concerned, subject to clause 10.1.1(f).

12.6.2 A retired person over the age of 65 years as contemplated in clause 10.1.2 who exceeds the income threshold, receives a 20% rebate on rates for the property concerned from the date of retirement.

12.6.3 A person with a terminal illness as contemplated in clause 10.1.3 who exceeds the income threshold, receives a 20% rebate on rates for the property concerned.

12.6.4 A disabled person as contemplated in clause 10.1.4 who exceeds the income threshold, receives a 20% rebate on rates for the property concerned.

12.7 BURIALS

- 12.7.1 In the event of a death of a member of a registered indigent household, the household concerned is fully subsidised for the cost of a grave.
- 12.7.2 An application in this regard must be accompanied by a certified copy of the death certificate, burial order and a sworn affidavit regarding the relationship of the applicant.
- 12.7.3 Only the premises for the grave is subsidised, and no hole will be dug or expanded by the Municipality.

12.8 WRITING OFF OF DEBT ACCUMULATED PRIOR TO REGISTRATION AS AN INDIGENT CUSTOMER

- 12.8.1 Upon registration of a customer as an indigent customer, the arrears and debt accumulated by such customer prior to the date of registration, is written off.
- 12.8.2 The writing off of such arrears and debt is subject to –
- (a) the restrictive conditions imposed in terms of the Credit Control and Debt Collection Policy before the Municipality may issue a rates clearance certificate for the property concerned to be sold; and
 - (b) the provisions of the Credit Control and Debt Collection Policy and the Writing Off of Irrecoverable Debt Policy.

12.9 RESTORATION OF MUNICIPAL SERVICES LIMITED, DISCONNECTED OR DISCONTINUED PRIOR TO REGISTRATION AS AN INDIGENT CUSTOMER

- 12.9.1 The restoration of services that were limited, disconnected or discontinued due to non-payment prior to a customer being registered as an indigent customer is regulated by the Credit Control and Debt Collection Policy.

12.10 OTHER DISCRETIONARY NON-FINANCIAL SUPPORT MECHANISMS

- 12.10.1 The Municipality may, on application by an indigent customer, provide non-financial assistance to an indigent household with regard to installations, repairs and leakages that are related to basic municipal services. An application for such assistance must be considered and approved in writing by the Municipal Manager before such assistance may commence.

12.10.2 The Municipality may provide other forms of non-financial assistance to indigent households in terms of other policies, provided such support mechanisms are approved by resolution of the Council.

13 GENERAL ARRANGEMENTS

13.1 CUSTOMER DEPOSITS

13.1.1 The customer deposit as provided for in the Credit Control and Debt Collection Policy must be paid on application for the provision of municipal services.

13.2 IMPLEMENTATION REQUIREMENTS

13.2.1 The Municipality may –

- (a) change an indigent customer's conventional credit meter for electricity and/or water to a prepaid meter at the cost of the Municipality;
- (b) fit water flow restriction mechanisms to an indigent customer's water supply if such customer exceeds the 6 kilolitre water indigent support subsidy per month and is in arrears;
- (c) reduce an indigent customer's breaker size to a maximum of 30 ampere; and/or
- (d) otherwise restrict or limit the consumption municipal services.

13.2.2 Where a restriction or limitation on the consumption of a municipal service is not possible, the indigent customer concerned is responsible for any consumption in excess of the approved subsidy.

13.2.3 If an indigent customer refuses to have the Municipality implement any of the measures in this clause, his or her indigent support must be terminated as contemplated in clause 13.11.

13.3 METHOD OF TRANSFER AND VALUE OF THE INDIGENT SUPPORT SUBSIDIES

13.3.1 No amount may be paid over to any person or body, but must be transferred on a monthly basis as a credit towards the approved account holder's municipal services account in respect of the property concerned.

13.3.2 Arrear amounts do not qualify for any assistance and may not be taken into consideration.

13.3.3 Calculations are based on the monthly current accounts only and in accordance with the approved Tariff Policy.

13.4 REGISTER OF INDIGENT HOUSEHOLDS

13.4.1 The Chief Financial Officer is responsible for compiling and administering the register of indigent households receiving support in terms of this Policy.

13.4.2 The register must –

(a) contain –

(i) the names and identity numbers of the indigent customer and members of the indigent household; and

(ii) such other information as the Chief Financial Officer may require;

(b) be open for public perusal and comment; and

(c) placed at service points for the public to view or published on the municipal website.

13.4.3 Written objections from the public must be referred to the Programme Officer who is responsible for investigating the validity of complaints and referring complaints to the relevant Indigent Assistance Committee for appropriate action.

13.5 ARREARS AND DEBT ACCUMULATED AFTER DATE OF REGISTRATION AS AN INDIGENT CUSTOMER

13.5.1 The management of arrears and debt accumulated by a customer after his or her registration as an indigent customer is regulated in terms of the Credit Control and Debt Collection Policy.

13.6 CHANGE IN INDIGENT STATUS

13.6.1 A indigent customer must immediately notify the Municipality of any change in his or her and his or her household's indigent status.

13.7 DEATH OF INDIGENT CUSTOMER

13.7.1 In the event that a registered indigent customer passes away, the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria must be met.

13.8 AUDIT AND REVIEW

13.8.1 The Municipality may conduct regular audits of the register of indigent households with regard to the information furnished by indigent customers, changes in indigent status, the usage of support subsidies and debt collection measures applied by the Municipality.

13.8.2 The Municipality may, where necessary, review the status of indigent households.

13.8.3 The frequency of audits depends on the institutional capacity of the Municipality to do so. Quarterly targeted audits and reviews must be undertaken to ensure the verification and re-registration of each qualified indigent customer at least once in every three year cycle.

13.8.4 The Municipality reserves the right to send officials or its agents to premises or households receiving relief from time to time for the purpose of conducting an on-site audit of the details supplied.

13.8.5 Where any doubt exists regarding the current status of an indigent household, the matter must immediately be referred to the relevant Indigent Assistance Committee for verification.

13.9 VALIDITY PERIOD OF SUPPORT

13.9.1 The validity period of indigent support is for the duration that the applicant household remains indigent.

13.9.2 Indigent households will, in terms of the audit and review process contemplated in clause 13.8, be subjected to scrutiny to determine any change in indigent status.

13.9.3 The Municipality may require indigent customers to periodically re-apply for indigent support. The interval for re-application is determined by the

Municipality from time to time. Currently, indigent customers must re-apply for indigent support at least once a year.

13.9.4 The onus is on an indigent customer to re-apply for indigent support as prescribed, failing which the indigent support will cease automatically.

13.10 SALE OF PROPERTY AND ISSUANCE OF RATES CLEARANCE CERTIFICATE

13.10.1 If any arrears and debt accumulated prior to the date of registration as an indigent customer has been written off in terms of clause 12.8, the indigent customer concerned must comply with the restrictive conditions imposed in terms of the Credit Control and Debt Collection Policy before the Municipality may issue a rates clearance certificate for the property concerned to be sold.

13.11 TERMINATION OF INDIGENT SUPPORT

13.11.1 Indigent support must be terminated under the following circumstances:

- (a) Upon death of the indigent customer for that particular property.
- (b) Upon sale of the property in respect of which indigent support is granted.
- (c) When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded.
- (d) If an indigent customer refuses to have the Municipality implement any of the requirements contemplated in clause 13.2.
- (e) If an indigent customer is found to have –
 - (i) unlawfully reconnected or attempted to reconnect a supply of electricity or water that has been limited, disconnected or discontinued; or
 - (ii) tampered with a water or electricity meter.
- (f) If a customer is found to have lied about his or her personal circumstances, furnished false information regarding his or household's indigent status, or misused the indigent support subsidy scheme.

13.11.2 In the event of a customer's indigent support being terminated for –

- (a) refusing to have the Municipality implement any of the requirements contemplated in clause 13.11.1(d); or
- (b) being found to have unlawfully reconnected or attempted to reconnect a supply of electricity or water that has been limited, disconnected or discontinued, or tampered with a water or electricity meter as contemplated in clause 13.11.1(e),

such customer is not eligible to apply for indigent support for a period of one year.

13.11.3 In the event of a customer's indigent support being terminated for being found to have lied about his or her personal circumstances, furnished false information regarding his or her household's indigent status, or , or misused the indigent support subsidy scheme as contemplated in clause 13.11.1(f) –

- (a) all indigent subsidies received by the customer becomes repayable immediately;
- (b) all debts of the customer, including arrears that have previously been written off, becomes payable immediately;
- (c) such customer is not eligible to apply for indigent support for a period of three years;
- (d) the Municipality must apply stringent credit control measures in respect of such customer in future; and
- (e) the Municipality may institute criminal proceedings.

13.12 EXIT PROGRAMMES

13.12.1 Members of indigent households must participate in exit programmes coordinated by the Municipality in collaboration with other government departments and the private sector.

13.12.2 As part of its broader poverty reduction programme, the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development initiatives and in the implementation of integrated development programmes where possible.

13.12.3 The Municipality must promote exit from indigence by –

- (a) identifying indigent persons for inclusion in public works projects;
- (b) initiating local job creation projects such as cleansing operations, small infrastructure projects, etc.;
- (c) facilitating opportunities to enter the informal trade market;
- (d) facilitating food security projects; and
- (e) liaising with national and provincial government departments to include indigent persons in their public works programmes.

14 TARIFF POLICY

14.1 The Municipal Systems Act stipulates that the Council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements and which complies with the provisions of the Act and with any other applicable legislation.

14.2 A tariff policy must reflect, amongst others, at least the following principles:

- (a) The amount individual users pay for their services must generally be in proportion to their use of such service.
- (b) Poor households must have access to at least basic services through tariffs that cover only operating and maintenance costs.
- (c) Special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of service.
- (d) Any other direct or indirect method of subsidisation of tariffs for poor households.
- (e) The extent of subsidisation of tariffs for poor households and other categories of users must be fully disclosed.

15 SOURCES OF FUNDING

- 15.1 The amount of subsidisation is limited to the amount of the equitable share received on an annual basis. This amount may be varied on a yearly basis according to the new support subsidies for a particular financial year.
- 15.2 The Municipality resolves to subsidise all indigent households for electricity, water, sewerage, refuse removal, property rates, and burials.
- 15.3 If approved as part of the Tariff Policy, the amount of subsidisation may at any time be increased through cross-subsidisation, i.e. through a step-tariff system in which case clause 14.2(e) regarding disclosure applies.

16 CAPACITY BUILDING

- 16.1 The Municipality must ensure that all officials and councillors are appropriately capacitated in free basic services in terms of the following key areas:
- (a) Database management;
 - (b) Demand and revenue management; and
 - (c) Policy and by-law implementation.

17 MISCONDUCT

- 17.1 If there is evidence of any misconduct, dishonesty or intentional wrongdoing with regard to any provision of this Policy by a municipal staff member, the Municipality must institute disciplinary proceedings in terms of the disciplinary procedure in the collective agreement or the Disciplinary Regulations for Senior Managers, as the case may be.

18 CONFLICT

- 18.1 In the event of a conflict between this Policy and the Property Rates Policy, Tariff Policy, Credit Control and Debt Collection Policy or Municipality Tariffs, Credit Control and Debt Collection By-Law, the latter prevails.

19 DELEGATIONS

- 19.1 The delegation of any power, function or duty provided for in this Policy must be performed in terms of the Delegation Policy.

20 RESPONSIBILITY FOR IMPLEMENTATION

20.1 The Municipal Manager accepts overall responsibility for the implementation of this Policy.

21 REPORTING, MONITORING AND EVALUATION

21.1 An Indigent Assistance Committee must, in conjunction with the relevant ward councillor, ward committee and other relevant persons or organisations, monitor the implementation of the indigent support subsidy scheme subject to this Policy and in consultation with the Municipal Manager.

21.2 The Chief Financial Officer must report monthly to the Municipal Manager via the Municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties. Such report must reflect on –

- (a) the number of indigent household applications received;
- (b) the amount of support subsidies allocated per support category;
- (c) the amount of debt accumulating and debt recovery information (incl. number of customers, enquires, default arrangements and growth or diminishing of arrear debtors which must ideally be divided into wards, domestic, state, institutional and other such divisions); and
- (d) performance against targets set in respect of indigent support and poverty relief and in particular with regard to –
 - (i) number of applications for indigent support dealt with;
 - (ii) time taken to process and finalise applications;
 - (iii) site visits undertaken;
 - (iv) awareness and exit initiatives; and
 - (v) changes in the status of indigent customers and indigent households.

21.3 The Municipal Manager must carry out the monitoring and evaluation of this Policy's implementation.

22 REVIEW AND AMENDMENTS

22.1 The Council –

- (a) must review this Policy on an annual basis and table the reviewed Policy for approval as part of the annual budget process in terms of section 17(1)(e) of the Municipal Finance Management Act; and
- (b) may amend this Policy during the course of any specific year.

23 EFFECTIVE DATE

23.1 This Policy becomes effective upon approval thereof by the Council.

24 POLICY APPROVAL

Authorised by Municipal Manager:

Signature:

Date:

Recommended by Portfolio Committee on Finances:

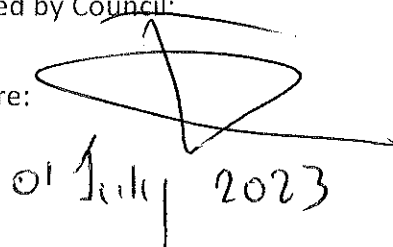
Signature:

Date:

Approved by Council:

Signature:

Date:



01 July 2023