



## POLICY 04/2024 RAADSBELEID

SUBJECT/ONDERWERP: INDIGENT MANAGEMENT POLICY

REFERENCE/VERWYSING: 5.12.B

RESOLUTION NR/BESLUIT NO: 15/05/2024 (CM)

DATE/DATUM: 31 May 2024

### LEGISLATIVE FRAMEWORK

Section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a Municipality to adopt, maintain and implement a credit control and debt collection policy.

And whereas section 97 of the Municipal Systems Act prescribes that such policy must provide for “provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents.

### DEFINITIONS

- a) “**basic services**” means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
- b) “**indigent household**” means a household residing on an erf, earning a combined gross income of equal or less than two times the monthly government allowance paid to old age pensioners or persons. (Excluding allowance received from Department of Social Services)
- c) “**indigent threshold**” means the amount of equitable share allocated for subsidising indigent households limited to R1000.
- d) “**subsidised services**” means the services subsidised by Council in terms of the policy and may include Property Rates, electricity, refuse, sewerage, water.
- e) “**council**” means the legislative body of the municipality responsible for passing resolutions.
- f) “**Property Rates Policy**” means the approved Property Rates Policy of Dawid Kruijer Municipality.

### 1. OBJECTIVE

- (a) The Council recognizes its Constitutional obligation to give priority to the basic needs of the community, to promote the social and economic development of the community and to ensure that all residents and communities in the municipality have access at least to a basic level of municipal services.

- (b) The Constitution entitles the municipality to an equitable share of nationally raised revenue, which will enable it to provide basic levels of essential services to the community and the Council commits its equitable share to the provision of basic services.
- (c) Due to the high level of unemployment and consequent poverty in the Municipality's jurisdiction, there are households which are unable to pay the normal tariffs for municipal services. The municipality accordingly adopts this Indigent Management Policy to ensure that these households have access to at least basic municipal services.

## **2. VISION AND MISSION**

The Council adopts this policy in order to provide:

- (a) A framework for the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the municipality;
- (b) Procedures and guidelines for the subsidization of basic services to the Indigent Households using the municipality's budgetary allocation, supported by the equitable share;
- (c) Fair criteria and a consistent, transparent and reasonable threshold for qualification of indigent households and appropriate subsidies, consistent with the municipality's Tariff Policy.

## **3. FAIR ADMINISTRATIVE ACTION**

- (a) The Constitution entitles everyone to administrative action which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.
- (b) The Promotion of Administrative Justice Act 3 of 2000 is the legislation required by the Constitution to give effect to the right to just administrative action and in order to promote and efficient administration and good governance and to create a culture of accountability, openness and transparency in public administration or in the exercise of a public power or the performance of a public function.
- (c) This policy incorporates the above principles by providing parameters and procedures to guide the municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the municipality will act in the circumstances covered by the policy and uniformity of action on the part of its officers.
- (d) The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

## **4. SERVICES TO BE SUBSIDISED**

- (a) The municipality will provide free of charge, a basic level of each of the following services by subsidizing the tariffs applicable thereto in terms of this policy:
  - (i) Water (first 6 Kiloliters per month); consumption exceeding 6 kiloliters will be payable by the consumer.
  - (ii) Electricity (50 kWh); consumption exceeding 50 kWh will be payable by the consumer.
  - (iii) Refuse removal (total amount per month).
  - (iv) Sewerage/Sanitation (total amount per month).
  - (v) Property Rates (general).
- (b) The maximum amount to be subsidized for the above services must not be more than R1000.00 per month.

- (c) Support to retired and disabled persons who just fall outside the indigent household bracket referred to in paragraph 5 below.
- (i) Council may consider supporting retired and disabled persons who just falls outside the indigent household bracket of two times the monthly government allowances paid to old age pensioners or disabled persons.
  - (ii) These cases will be seen as special merit indigent household cases to be considered on an adhoc basis by Council.
  - (iii) These cases will have to comply with the below-mentioned application criteria as well as those listed in the Property Rates Policy before it will be considered by a Budget and Treasury Committee and by Mayoral Committee.
  - (iv) Council may require a report from a welfare practitioner as part of the application criteria before considering the application and possible financial support
  - (v) For the 2021/2022 financial year the total monthly and corresponding financial support is determined as follows:
    - R0 to R4 400 per month - 100% of indigent support.
    - R4 401 to R5 400 per month - 80% of indigent support.
    - R5 401 to R6 400 per month - 50% of indigent support.
    - R6 401 to R7 400 per month - 20% of indigent support.
    - (Amended annually)
  - (vi) The municipality retains the right to refuse the financial support if the details supplied in the application form were incomplete, incorrect or false.
  - (vii) The maximum amount to be subsidized for the above services must not be more than R1,000.00 per month.

## 5. **CONDITION OF THE INDIGENT SUPPORT**

- (a) Who qualifies?
 

A household residing on an erf, earning a combined gross income of equal or less than two times the monthly government allowance paid to old age pensioners or persons. (Excluding allowance received from Department of Social Services). The policy includes contractual Commonage Farmers with less than 6 livestock on hand.
- (b) What is a household?
 

Is a household consisting of one or more people who live in the same dwelling and also share the same meals or living accommodation, and may consist of single family or other grouping of people? A single dwelling will be considered to a certain multiple household if meals and space are not shared.
- (c) Who does not qualify?
  - (1) A household on a single erf whose combined gross income are more than two times the monthly government allowance paid to old age pensioners or disabled persons.
  - (2) Applicants who owns more than one property.
  - (3) A household with a tuck-shop/tenant/business on the property.
  - (4) A household that has unpaid unauthorized electricity usage on their property.
  - (5) A household who owns a registered company

## 6. **DEREGISTRATION OF INDIGENTS**

- a) An indigent customer must immediately request de-registration by the Municipality if his/her circumstances have changed to the extent that he/she no longer meets the requirements set out in the policy.
- b) An indigent customer may at any time request de-registration.

- c) Subsidies that have been received unrightfully may be reversed and levied on the municipal account of the Indigent.
- d) Special note should be taken that any person who supplies false information will be disqualified from further participation in the indigent support scheme and penalty will be levied on the consumer account as per the approved tariffs of Council. He/She will also be liable for the immediate repayment of all indigent support received and the institution of criminal proceedings, as Council may deem fit.

## **7. APPLICATION PROCEDURES**

- (a) The documents indicated below must be brought by the property owner/heir of the property (i.e. the person whose responsible for the account AND who stays on the property) to Municipality's head office Municipality's Satellite offices.
- (b) The Identification document, the proof of income (e.g. letter from an employer, salary advice, pension slip, IT34 from SARS (where necessary), 3 months' bank statement, unemployment Affidavit and all documentation required must be presented in order to apply for indigent support.
- (c) In addition, applicants will be required to sign and submit an agreement confirming the terms and conditions related to the application. (e.g. that all information supplied is true and that all income from formal and/or informal sources has been declared, etc).
- (d) Council reserves the right to send officials to premises/households receiving relief for the purpose of conducting an on-site audit of the details supplied.
- (e) The applicant must apply in person and must present the proof of income for all occupants over the age of 18 years residing on the property.
- (f) If the application is approved, the indigent support will only be valid until **30 June 2024** with no guarantee of renewal, as it is funded by a grant from National Government to the municipality. The onus is on account holders to re-apply for relief each year; failing will cause the assistance to cease automatically.

## **8. GENERAL**

- a) All consumers qualifying as indigent households will receive monthly indigent support provided that a pre-paid water and pre-paid electricity meter have been installed at Council's cost.
- b) Consumers who have registered businesses may apply for indigent support provided that
  - i. They obtain proof of income from SARS (IT34 for personal income as well as that of the business) that indicates that the business did not generate any income.
  - ii. An application for condonation is approved by Council.
- c) Consumers who have electricity theft on their properties may apply for indigent support provided that
  - i. they abide by the conditions as set out in the Customer Care Credit Control and Debt Collection policy of Council.
  - ii. An application for condonation is approved by Council.
- d) Any queries relating to the Indigent Management Policy may be directed to the Chief Financial Officer.

**9. PROVIDING OF INFORMATION OF INDIGENTS TO THE PUBLIC**

- a) A list of indigents will be maintained and may be made available to the public, subject to the Promotion of Access to Information Act.
  
- b) Council will embark on a yearly public awareness campaign for re-registration, by way of distributing flyers in liaison with the ward committee members and advertisements on Council's website. The onus is however on account holders to re-register for relief timeously, failing which the assistance will cease on 30 June annually.