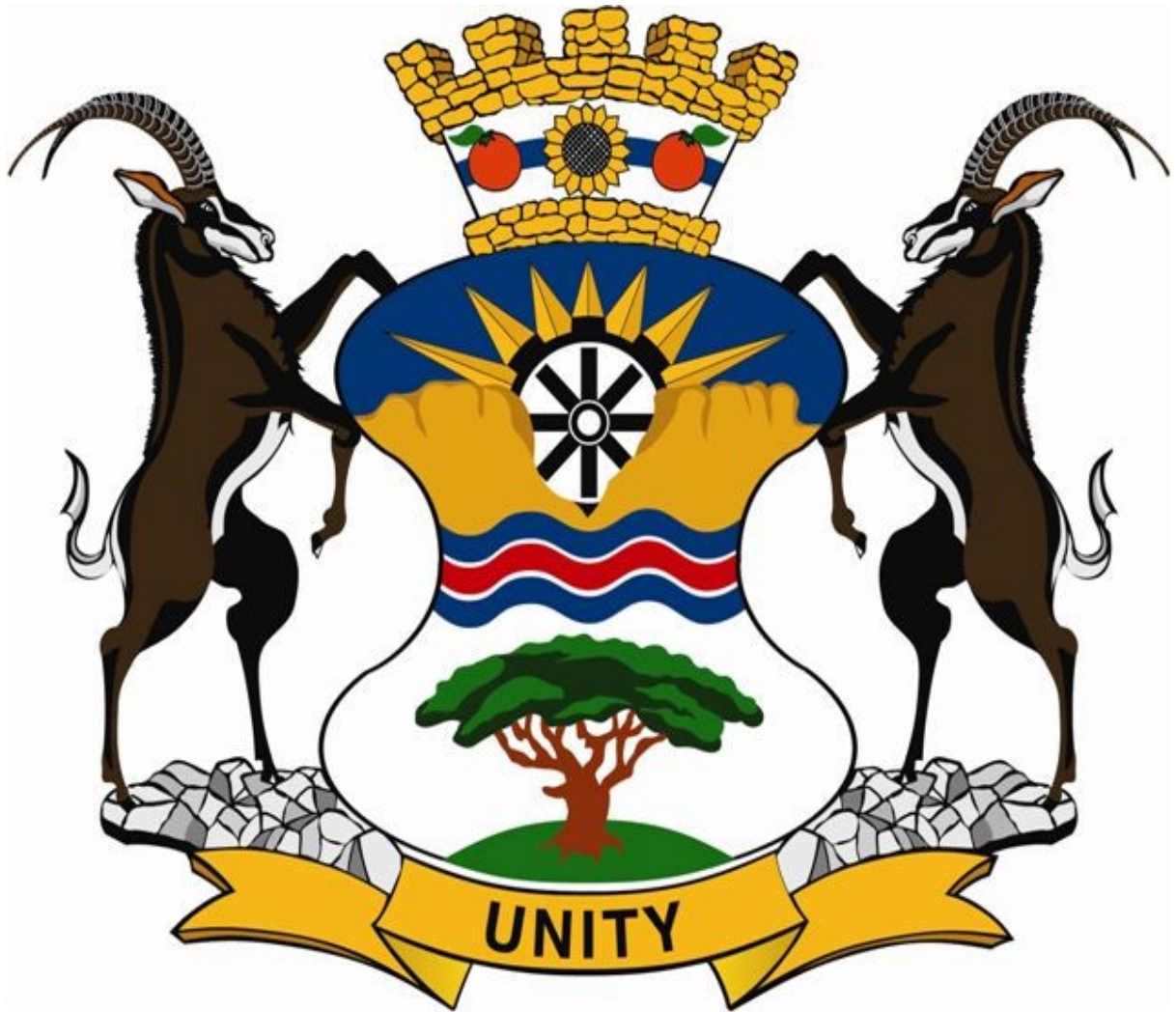


# **RUSTENBURG**

## **LOCAL MUNICIPALITY**



### **INDIGENT POLICY**

## PREAMBLE

- (1) **WHEREAS** the provision of free basic municipal services by a Municipality is part of the broader social agenda and anti-poverty strategy of the South African Government, the Rustenburg Local Municipality (hereafter “the Municipality”), must 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 of the Republic of South Africa, 108 of 1996 (hereafter the Constitution);
- (2) **AND WHEREAS** a Municipality, as the third sphere of government, therefore has a constitutional duty to assist the National and Provincial spheres of government in the realisation of the above mentioned rights;
- (3) **AND WHEREAS** the key purpose of this Indigent Policy is to ensure that households with no or a lower income level are not denied basic municipal service, and to ensure the sustainability of the rendering of these municipal services to indigent consumers, within the financial and capacity restraints of the Municipality;
- (4) **AND WHEREAS** the Indigent Policy must be maintained for so long as the Municipality is able to, without compromising the financial stability and functioning of the Municipality;
- (5) **AND WHEREAS** it is of importance to set appropriate and sustainable threshold levels and subsidies of tariffs for indigent consumers;

(6) **AND WHEREAS** the Municipality requires qualifying indigent consumers to register as such and to agree to the terms, conditions and restrictions of the Municipality by completing the Municipality's application documentation;

**NOW THEREFORE**, the Council adopts the following Indigent Policy.

# THE RUSTENBURG LOCAL MUNICIPALITY: INDIGENT POLICY

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# CHAPTER 1

## INTRODUCTORY PROVISIONS

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### 1. DEFINITIONS

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In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words and expressions to which a meaning has been assigned in terms of the provisions of the Systems Act, the MFMA, the Credit Control & Debt Collection Policy and By-law, the Tariff Policy and By-law, as well as the Rates Policy and By-law of the Municipality, will have a corresponding meaning assigned thereto in terms of such policies or by-laws. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

NO.	WORD/EXPRESSION	DEFINITION
<b>“A”</b>		
1.1	<b>“annual budget”</b>	Means the budget approved by the Council for any particular financial year, and shall include any adjustments to such a budget.
1.2	<b>“annually”</b>	Means once every financial year.
1.3	<b>“applicant”</b>	Means the person applying to the Municipality to be afforded the status of a Registered Indigent in terms of this policy.
<b>“B”</b>		
1.4	<b>“basic municipal service”</b>	Means a municipal service necessary to ensure an acceptable and reasonable quality of life, which service, if not provided, would endanger public health or safety or the environment.
<b>“C”</b>		

1.5	<b>“Chief Financial Officer”</b>	Means the person appointed by the Council and designated by the Municipal Manager to manage the financial administration of the Municipality and who remains directly accountable to the Municipal Manager as contemplated in terms of the provisions of section 80(2)(a) read with section 1 and section 81 of the MFMA.
1.6	<b>“child”</b>	Means a minor person.
1.7	<b>“Constitution”</b>	Means the Constitution of the Republic of South Africa, 108 of 1996.
1.8	<b>“consumer”</b>	Means a person or entity consuming or receiving municipal services, and may include a customer or a tenant of a customer irrespective of whether such a person has concluded a service agreement with the Municipality, and may also include a person who illegally and unlawfully connected to the municipal services infrastructure or who illegally and unlawfully gained access to or usage of the municipal services.
1.9	<b>“Council”</b>	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.
1.10	<b>“Credit Control &amp; Debt Collection Policy” and “Credit Control &amp; Debt Collection By-Law”</b>	Means the Credit Control and Debt Collection Policy as adopted by the Council of the Municipality and the Credit Control & Debt Collection By-Law adopted in terms of the provisions of section 96 and section 98 of the Systems Act.
1.11	<b>“customer”</b>	Means the owner of the premises or in exceptional circumstances a tenant, and includes a person or entity liable to the Municipality for the payment of tariffs, levies, fees and municipal consumption charges in terms of a service agreement concluded with the Municipality, and may include a person who applied to the Municipality to become a Registered Indigent in terms of this policy, and who is not the owner of the premises, but who is:  (a) the child in control of a child-headed household where



		<p>the residential property is registered in the name of the deceased parent or deceased parents of that child; or</p> <p>(b) the party to whom the residential property is awarded in the event of a divorce; or</p> <p>(c) where a deceased estate has not been wound up:</p> <p>(i) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or</p> <p>(ii) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses' names, and the surviving spouse is the sole heir; or</p> <p>(iii) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or</p> <p>(iv) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate;</p> <p>and who simultaneously with the application for indigent support in terms of this policy, applied for the provision of municipal services in terms of the Credit Control &amp; Debt Collection Policy and By-Law of the Municipality to be granted an account and to conclude a service agreement with the Municipality, and whose application has been approved by the Municipality, and as such has concluded a service agreement with the Municipality.</p>
<b>“E”</b>		
1.12	<b>“equitable share”</b>	Means an allocation made by the National Government during a financial year, in its fiscal allocation, gazetted

		through the Division of Revenue Act (hereinafter “the DORA”), in order to assist municipalities to fund various expenses including expenses such as free basic services.
<b>“F”</b>		
1.13	<b>“free basic alternative energy”</b>	Means any other form of basic energy excluding electricity (including solar home system) deemed necessary to support basic energy needs of an indigent household as determined from time to time, and funded by the Government.
1.14	<b>“free basic electricity”</b>	Means a limited amount of free electricity deemed necessary to provide basic services as determined and funded by the National Government.
1.15	<b>“free basic sanitation”</b>	Means the prescribed minimum standard of services rendered to households including informal households, necessary for the safe, hygienic and adequate collection, removal, disposal or purification of human excreta, domestic waste-water and sewage prescribed in terms of the Act, under regulation 2 of Government Notice GN R509 in Gazette Notice 22355 of 8 June 2001 or as amended from time to time, or any substitution for that regulation;
1.16	<b>“free basic water supply”</b>	Means the prescribed minimum standard of water supply services necessary for the reliable supply of sufficient quantity and quality of water to household including informal households to support life and personal hygiene, prescribed in terms of the Act under regulation 3 Government Notice GN R509 in Gazette Notice 22355 of 8 June 2001, as amended from time to time, or any substitution for that regulation.
1.17	<b>“financial year”</b>	Means the period starting from 1 July in any year and ending on 30 June of the following year.
<b>“H”</b>		

1.18	<b>“household”</b>	Means the total number of persons who permanently reside in and occupy a single premise for residential purposes.
<b>“I”</b>		
1.19	<b>“Indigent Household”</b>	Means a household headed by a Registered Indigent.
1.20	<b>“Indigent Management System”</b>	Means the system consisting of designated officials of the Municipality supported by an electronic management system, equipped and designated to process applications for indigent support and used by the Municipality for the management of the Indigent Register.
1.21	<b>“Indigent Policy” or “this policy”</b>	Means the Indigent Policy, adopted by the Council of the Municipality.
1.22	<b>“Indigent Register”</b>	Means a record of the Registered Indigents established and maintained by the Municipality as per the provisions of this policy.
1.23	<b>“indigent support”</b>	Means the financial and other support, discounts, subsidies and assistance which the Municipality renders to Registered Indigents and households headed by Registered Indigents.
<b>“M”</b>		
1.24	<b>“Municipal Finance Management Act” or “MFMA”</b>	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003 and the regulations promulgated in terms of this act.
1.25	<b>“Municipal Manager”</b>	Means the Municipal Manager of the Municipality appointed in terms of the provisions of section 54A of the Systems Act and as referred to in the definition of “Accounting Officer” in section 1 of the MFMA, and also referred to in section 60 of the MFMA, and includes a person acting as an Accounting Officer, or the person to whom the Accounting Officer has delegated his/her authority to act.
1.26	<b>“Municipality”</b>	Means the RUSTENBURG LOCAL MUNICIPALITY (also referred to as “the RLM”) a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the

		<p>Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: the Missionary Mpheni House, CNR NELSON MANDELA &amp; BEYERS NAUDE STREET, RUSTENBURG, NORTH WEST PROVINCE, and may, depending on the context, include:</p> <p>(a) its successor in title; or</p> <p>(b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality’s duties, functions and powers; or</p> <p>(c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.</p>
1.27	<b>“Municipal Property Rates Act” or “MPRA”</b>	Means the Local Government: Property Rates Act, Act 6 of 2006 and the regulations promulgated in terms thereof.
1.28	<b>“municipal service” or “services”</b>	<p>Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether:</p> <p>(a) such service is provided or to be provided by the Municipality through an internal mechanism contemplated in section 76; and</p> <p>(b) fees, charges or tariffs are levied in respect of such service or not.</p>
1.29	<b>“municipal tariff” or “tariff”</b>	Means a fee, charge or tariff for services which the Municipality may set for the provision of a municipal service to the local community, and includes a surcharge on such fee, charge or tariff.
<b>“O”</b>		

1.30	<b>“occupier”</b>	Means any person who occupies premises or part thereof, without taking cognisance of the title under which he or she occupies the premises, and occupant has a corresponding meaning.
1.31	<b>“owner”</b>	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) the person in whose name the property is registered;</li> <li>(b) in the case where the person in whose name the property is registered, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, usufructuary, servitude holder or any other duly authorised or appointed representative;</li> <li>(c) in the case where the Municipality or service provider is unable to establish the identity of such person, the person who is entitled to derive benefit from the property or any buildings thereon;</li> <li>(d) in the case of a lease agreement entered into for a period of 30(thirty) years or longer, or for the natural life of the lessee or any other person mentioned in the lease, or is renewable from time to time at the will of the lessee indefinitely or for a period of periods which, together with the first period of the lease, amounts to 30 (thirty) years, the lessee or any other person to whom he has ceded his right, title and interest under the lease, or gratuitous successor to the lessee;</li> <li>(e) In relation to: <ul style="list-style-type: none"> <li>(i) a piece of land delineated on a sectional title plan and which is registered in terms of the Sectional Title Act, Act 95 of 1986, without limiting it to the developer or body corporate of the common property;</li> </ul> </li> </ul>

		<p>(ii) a section as defined in the Sectional Title Act, Act 95 of 1986, the person in whose name that section is registered in terms of a “sectional title deed”, including the lawfully appointed representative or agent of such person;</p> <p>(f) any legal entity including but not limited to:</p> <p>(i) a company registered in terms of the Companies Act, Act 61 of 1973, a trust inter vivos, trust mortis causa, a close corporation registered in terms of the Close Corporation Act, Act 69 of 1984 and any voluntary organisation;</p> <p>(ii) any provincial or national government department, or local authority;</p> <p>(iii) any Council or management body established in terms of any legal framework applicable to the Republic of South Africa; and</p> <p>(iv) any embassy or other foreign entity in whose name the property is registered;</p> <p>(g) in relation to property owned by the Municipality and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and</p> <p>(h) in relation to property owned by or under the control or management of the Municipality while held under a lease or any express or tacit extension thereof or under any other contract or under servitude or right analogous thereto, the person so holding the immovable property.</p>
<b>“P”</b>		
1.32	<b>“premises”</b>	Means any property or any building or structure above or below ground levels on property and may include any vehicle, aircraft or vessel.
1.33	<b>“prepayment meter”</b>	Means a meter whereby payment for municipal services is

		first made elsewhere and credit is transferred to such meters by means of a token or coded number or credit card or other means and such meter is programmed and dispenses pre-purchased municipal services as it is consumed by the consumer at a predetermined rate or charge.
1.34	<b>“Programme Officer”</b>	Means an official duly authorised by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible to ensure that an assessment, screening and site visits are undertaken and for recommending applicants for approval to receive indigent support.
1.35	<b>“property”</b>	<p>Means:</p> <p>(a) immovable property registered in the name of a person/owner including in the case of a sectional title scheme, a sectional title unit registered in the name of any person/owner;</p> <p>(b) a right registered against immovable property in the name of a person excluding a mortgage bond registered against the property;</p> <p>(c) any piece of land, the external surface boundaries of which are delineated on:</p> <p style="padding-left: 40px;">(i) a general plan or diagram registered in terms of the Land Survey Act, Act 9 of 1927 or in terms of the Deeds Registries Act, Act 47 of 1937 or;</p> <p style="padding-left: 40px;">(ii) a sectional plan registered in terms of the Sectional Titles Act, Act 95 of 1986;</p> <p style="padding-left: 40px;">which is situated within the area of the Municipality;</p> <p>(d) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or</p> <p>(e) public service infrastructure.</p>
<b>“R”</b>		

1.36	<b>“rates”</b>	Means a municipal rate on property levied in terms of the provisions of section 229(1)(a) of the Constitution and section 2(1) of the MPRA.
1.37	<b>“Rates Policy”</b>	Means the Rates Policy of the Municipality as adopted by the Municipality in terms of the provisions of section 3(1) of the MPRA.
1.38	<b>“Registered Indigent”</b>	Means a person, qualifying to be registered as an indigent in terms of this policy, who has applied to the Municipality in terms of this policy to be registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent in the Indigent Register.
<b>“S”</b>		
1.39	<b>“service agreement”</b>	Means the written agreement concluded between the Municipality and a customer for the provision of municipal services to premises once the Municipality has approved the customer's official application form for the rendering of such services to the customer and which contains the terms and conditions upon which the Municipality will render such services to the customer.
1.40	<b>“Structures Act”</b>	Means the Local Government: Municipal Structures Act, Act 117 of 1998 and the regulations promulgated in terms thereof.
1.41	<b>“subsidised services”</b>	Means the municipal services, the costs of which are either subsidised in full or in part by the Municipality.
1.42	<b>“Systems Act”</b>	Means the Local Government: Municipal Systems Act, Act 32 of 2000 and the regulations promulgated in terms thereof.
<b>“T”</b>		
1.43	<b>“Tariff Policy”</b>	Means the Tariff Policy of the Municipality adopted in terms of the provisions of section 74(1) of the Systems Act.
1.44	<b>“Tariff Schedule”</b>	Means the schedule containing details pertaining to the



		levels and application of the various fees, charges or tariffs as approved by the Council from time to time.
1.45	<b>“tenant”</b>	Means a person who is entitled to the use and enjoyment of premises for the payment of rent as a result of an agreement concluded with a person who has the right to extent such rights regarding the premises.
<b>“V”</b>		
1.46	<b>“Verification Officer”</b>	Means an official duly authorised by the Municipality to assist with the management of applications for indigent support, to visit households and verify the applicant’s application and to recommend that the applicant is either a suitable or not a suitable candidate for approval to receive indigent support.

## **2. ABBREVIATIONS**

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In this policy the following abbreviations will be used to signify the meaning or entity as indicated:

CDW	Community Development Worker
DORA	Division of Revenue Act, as enacted at the beginning of April every year
DWAF	The National Department of Water Affairs and Forestry
ESG	Equitable Share Grant
IDP	Integrated Development Plan
kWh	Kilowatt hour
LED	Local Economic Development
MFMA	Local Government: Municipal Finance Management Act, Act 56 of 2003
MIG	Municipal Infrastructure Grant
MPRA	Local Government: Municipal Property Rates Act, Act 6 of 2006
UIF	Unemployment Insurance Fund

### **3. AIM AND PURPOSE**

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The aim and purpose of this policy is to ensure that Registered Indigents have access to basic municipal services, to ensure that the subsidy scheme for Registered Indigents forms part of the financial management system of the Municipality and to provide procedures and guidelines for the subsidisation of basic municipal services and tariff charges to the Registered Indigents.

### **4. TITLE AND APPLICATION**

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- (1) This policy is known as the Indigent Policy of the Municipality and is applicable to the municipal area of the Municipality.
- (2) This policy revokes all previous policies, decisions and/or *ad hoc* clauses within any other policy, regarding the subject matter of this policy.

### **5. COMMENCEMENT AND VALIDITY**

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This policy shall come into full force and effect upon the acceptance thereof by the Council of the Municipality by resolution.

### **6. RESPONSIBLE AUTHORITY**

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- (1) The responsible authority for the adoption and implementation of this policy is the Municipality, and where applicable the Council of the Municipality.
- (2) In terms of the provisions of section 62 of the MFMA, the Municipal Manager of the Municipality is responsible for managing the financial administration of

the Municipality, and must for this purpose, take all reasonable steps to ensure *inter alia* that the Municipality has and implements:

- (a) The Tariff Policy referred to in section 74 of the Systems Act. Section 74(2)(c) of the Systems Act provides that the Tariff Policy must reflect *inter alia* that indigent households must have access to at least basic municipal services through:
    - (i) tariffs that cover only operating and maintenance cost;
    - (ii) special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or
    - (iii) any other direct or indirect method of subsidisation of tariffs for indigent households.
  - (b) A Credit Control and Debt Collection Policy referred to in section 96(b) of the Systems Act. Section 97(1)(c) of the Systems Act provides that a Credit Control and Debt Collection Policy must provide for the provision for debtors who are Registered Indigents that is consistent with its rates and tariff policies and any national policy on indigents.
- (3) The Chief Financial Officer will ensure that this policy is integrated with the Municipality's financial planning and processes, as well as the taking into account of the effect of this policy in the annual budget of the Municipality.

## **7. POLICY PRINCIPLES**

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The Municipality undertakes to promote the following principles regarding this policy:

- (a) the Municipality will ensure that the funding portion designated for free basic municipal services, allocated as part of the equitable share received annually from National Government and other budgetary provisions, is utilised for the benefit of Registered Indigents only and not to subsidise rates and service charges of those who can afford to pay same;

- (b) the Municipality will link this policy with the Municipality's Integrated Development Plan (IDP), Local Economic Development (LED) initiatives and poverty alleviation programmes;
- (c) the Municipality will promote an integrated approach to free basic municipal service delivery;
- (d) the Municipality will engage the local community in the development and implementation of this policy;
- (e) the Municipality will ensure that any relief and/or support provided in terms of this policy is constitutional, practical, fair, equitable, justifiable and does not amount to unfair discrimination;
- (f) the Municipality will provide indigent support within the available limits of their financial capacity in order not to jeopardise the financial stability of the Municipality or the sustainability of the provision of municipal services to all the customers of the Municipality and the community as a whole;
- (g) the Municipality will review and amend the qualification criteria for indigent support on a regular basis and when necessary;
- (h) the payment of basic municipal services should be affordable to the Registered Indigent; and
- (i) an approved community communications programme, embodying the principles of transparency and fairness, must be implemented in respect of the indigent support programme.

## **8. POLICY OBJECTIVES**

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The objectives of this policy are the following:

- (a) to provide basic municipal services to the community in a sustainable manner within the financial and administrative capacity of the Municipality;

- (b) to ensure the financial sustainability of free basic municipal services through the determination of appropriate tariffs that contribute to such sustainability through fair and reasonable cross subsidisation;
- (c) to establish a framework for the identification and management of indigent households, including a socio-economic analysis and an exit strategy to assist the indigent household to escape the burden of indigency;
- (d) to provide procedures and guidelines for the subsidisation of basic municipal services and tariff charges to Registered Indigents;
- (e) to ensure co-operative governance with other spheres of government; and
- (f) to enhance the institutional and financial capacity of the Municipality to implement this policy.

## **9. LEGISLATIVE FRAMEWORK**

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This policy is designed and must be implemented within the framework of *inter alia* the following legislation:

- (a) The Constitution;
- (b) The Systems Act;
- (c) The MFMA;
- (d) The Promotion of Administrative Justice Act, Act 3 of 2000;
- (e) The Promotion of Access to Information Act, Act 2 of 2000;
- (f) The MPRA;
- (g) The Water Service Act, Act 108 of 1997 and Regulations thereto; and
- (h) The Waste Act, Act 59 of 2008 and the Regulations thereto.

## **10. POLICIES, STRATEGIES AND GUIDELINES**

---

There are several strategies and guidelines relating to free basic services which compliment this policy and which must be recognised and taken into account in the implementation of this policy, including:

- (a) National Policy on Free Basic Services, National Policy on Free Basic Water, National Policy on Free Basic Electricity, National Policy for the provision of Basic Refuse Removal Services to Indigent Households.
- (b) Free Basic Water Strategy and Guideline prepared by the DWAF.
- (c) Free Basic Sanitation Strategy and Guidelines also prepared by DWAF.
- (d) Guidelines on tariffs for municipal solid waste services prepared by the Department of Environmental Affairs and Tourism.
- (e) Electricity Basic Support Tariff (Free Basic Electricity) Policy, 1 April 2003, prepared by the Department of Minerals and Energy.
- (f) National Policy on Free Basic Alternative Energy, 2007.
- (g) The Property Rates Act, which provides for zero-rating of low value properties up to a value of R15000, thereby ensuring that households on these properties gain access to a package of public services for free.

## **11. FUNDING**

---

The following internal and external sources of funding are available to the Municipality to provide basic municipal services to Registered Indigents:

- (1) Internal Sources:

- (a) Cross subsidies generated from the netted trading surplus from Trading Services or Economical Services, as referred to and categorised in terms of the Tariff Policy of the Municipality.
- (b) The core administration revenue of the Municipality which include revenue generated by *inter alia* property rates.

(2) External sources:

The national fiscus, through the Equitable Share Grant (ESG) and Municipal Infrastructure Grant (MIG). This amount may be varied on a yearly basis according to the new allocation for a particular financial year.

**12. TARGETING OF INDIGENT HOUSEHOLDS**

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- (1) The implementation of this policy and the effective targeting of indigent persons will largely depend on the social analysis included in the IDP, the LED initiatives and other poverty relief programmes of the Municipality.
- (2) The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent persons.
- (3) Against the background of such socio-economic analysis, and within its financial and institutional capacity, the Municipality must decide which targeting method should be applied.
- (4) The Municipality may apply the following targeting methods:

Targeting approach		Application
1.	Service levels	Lowest service levels normally in informal settlements and rural areas.

2.	Property value	Applicable only to Registered Indigents in respect of subsidies or RDP housing to a value determined in addition to the R15000.00 in terms of the MPRA.
3.	Gross household income	Threshold shall be R 3 500.00 total gross household income.
4.	Geographical (Zone) targeting	Specific areas (rural or urban) where households are regarded as poor irrespective of service level.

- (5) The Municipality may use any one of the above targeting methods or any combination thereof for the assessment and evaluation of an application by any person for indigent support and in determining whether any person applying for such indigent support qualifies for such support.

### **13. QUALIFICATION CRITERIA**

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- (1) The Municipality shall, from time to time, determine the qualification criteria for a person to become a Registered Indigent in order to receive indigent support, provided that until the Municipality determines otherwise, the following criteria shall apply:
- (a) the premises to which the municipal services are rendered (or to be rendered) or related must be a “residential property”, as classified in terms of the categories of properties in terms of the provisions of the Rates Policy and By-Law of the Municipality, and must be utilised solely for residential purposes (no activity other than residential activity to be executed on the premises, i.e. no spaza shop or rental of rooms), as well as situated within the municipal area of the Municipality; and
  - (b) the applicant applying for the indigent support, must be:
    - (i) the holder of an account with the Municipality for the provision of municipal services to the premises referred to in sub-paragraph (a) above, who has concluded a service



agreement with the Municipality, as referred to and defined in terms of the Credit Control & Debt Collection Policy and By-Law of the Municipality; or

(ii) in an instance where the applicant for the indigent support is not the holder of an account and has not concluded a service agreement with the Municipality, as required by subparagraph (i) above: the applicant must:

(aa) be the child in control of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents of that child; or

(bb) be the party to whom the residential property is awarded in the event of a divorce; or

(cc) be, where a deceased estate has not been wound up:

(aaa) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or

(bbb) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses' names, and the surviving spouse is the sole heir; or

(ccc) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or

- (ddd) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate;
    - (dd) submit, simultaneously with the application for indigent support, an application for the provision of municipal services in terms of the provisions of the Credit Control & Debt Collection Policy and By-Law of the Municipality, applying to the Municipality to be granted an account and to conclude a service agreement with the Municipality; and
  - (c) the total household income of all the household occupants, of the indigent household to which the application relates, above the age of 18 (eighteen) years, on the residential property may not exceed the amount as determined by Council from time to time. This amount will be determined at the beginning of every financial year and will be applied for the duration of that particular financial year. Currently the income amount is deemed to be R 3 500.00; and
  - (d) the applicant may not be the owner of more than one immovable property nationally and internationally; and
  - (e) the applicant must be a full-time occupant of the residential property; and
  - (f) where applicable, the applicant must have a prepayment electricity meter, a water management device or a prepayment water meter installed in terms of any applicable by-law or policy of the Municipality, as read with any approved tariff;
  - (g) the applicant must be a natural person.
- (2) The Municipality may call upon an applicant, a Registered Indigent or a debtor (as defined in terms of the provisions of the Credit Control & Debt

Collection Policy of the Municipality) at any time to produce documents in support of their claim for indigency or Registered Indigent status, and may approach any person in order to verify any claim made by an applicant.

## CHAPTER 2

### ASSISTANCE PROCEDURES

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#### 14. COMMUNICATION

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- (1) The Municipality must develop a community communication strategy, embodying the principles of transparency and fairness, in terms of which communities will be informed and educated on the contents of this policy in order to provide a clear understanding of the provisions of this policy and the implementation thereof.
- (2) Regular information dissemination and awareness campaigns by the Municipality must be undertaken to eliminate unrealistic expectations both in terms of qualifying criteria for indigent status, the extent of the benefits accorded to Registered Indigents, as well as municipal service delivery in general.
- (3) The methods of communication that the Municipality may utilise include, but will not be limited to:
  - (a) Ward committees;
  - (b) Community Development Workers (CDW's);
  - (c) Local radio stations and news papers;
  - (d) Municipal accounts;
  - (e) Imbizo's and road shows; and
  - (f) Jamborees where government and municipal officials are made available to assist residents with applications such as ID applications, pension- and social grant applications, etc.
- (4) The Municipality must communicate the following to the community:

- (a) what the Municipality is trying to achieve with regard to the Indigent Policy;
- (b) how the Municipality will be going about implementing the Indigent Policy;
- (c) what the value for indigent and non-indigent households is;
- (d) who qualifies for the indigent support and how the Municipality has determined this;
- (e) how qualifying householdsshould access the indigent support; and
- (f) the financial constraints of the Municipality which limits the levels of sustainable indigent support that can be provided.

## **15. INSTITUTIONAL ARRANGEMENTS**

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The Municipality shall appoint officials, or engage existing staff, or Community Development Workers (CDW's) who have been trained in terms of the Municipality's directions, to assist with the development and implementation of this policy. Furthermore, the Municipality shall establish indigent registration points, the cost of which may be funded through the equitable share allocation, in its municipal area.

## **16. APPLICATION**

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- (1) A person applying for indigent support must duly complete an official indigent support application form asprescribed by the Municipality (Schedule "A").
- (2) Such application formshall be available at the main office of the Municipality and at approved registration points established by the Municipality, as referred to above and on the Municipality's web site

- (3) The duly completed application form for the indigent support must be accompanied by the following documentation when such application for indigent support is lodged with the Municipality:
- (a) the latest municipal account for the household, if there is such an account;
  - (b) a certified copy of the account holder's and/or applicant's identity document, where the original is not available and presented to the Municipality for the purposes of making a copy by the Municipality;
  - (c) proof of the income of **all** occupants residing on the premises to which the municipal services are rendered (or to be rendered) or relate, above the age of 18 (eighteen) years, i.e. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as "looking for employment";
  - (d) bank statements of all the occupants residing on the premises above the age of 18 (eighteen) years, for the last 3 (three) months, certified by the bank and a sworn affidavit from each occupant that no other bank accounts exist;
  - (e) in the absence of any proof to be submitted either through subparagraphs (3)(c) or (3)(d) above, a sworn affidavit must be submitted by the applicant together with the documentation required in terms of paragraphs (3)(a) and (3)(b) above;
  - (f) proof of property ownership or proof of the existence of the criteria set out in paragraph 13(1)(b)(ii) above; and
  - (g) such other documentation as the Municipality reasonably determines from time to time.
- (4) The Municipality may require any other documentation or information from the applicant which the Municipality may deem necessary to assess and evaluate the application.

- (5) As part of the application the applicant must consent to the verification of the information submitted by them, by the Municipality, a credit bureau or any other similar agency performing external scans, as referred to in this policy.
- (6) All applications must be confirmed and declared under oath and be signed before a Commissioner of Oath.

## **17. ASSESSMENT AND SCREENING APPLICANTS**

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Upon receiving of a duly completed application form from the applicant, together with the accompanying documentation as referred to above, all information must be verified by the Programme Officer or a person approved by the Municipality as follows:

- (1) Indigent Management System Check

The information on the Municipality's Indigent Management System must be checked to determine whether an applicant or the household is already registered within the system as well as to determine dates when the existing applicants should be reviewed.

- (2) Date Capture

The application date must be captured in an Indigent Management System as per the application form. The record must be flagged in the system as being an "application in progress".

- (3) Verification – Site Visit

The Indigent Management System must assign an application to a duly appointed Verification Officer to perform an on-site verification. The

Verification Officer must verify the information on the registration application form, visit the applicant and visually confirm the details supplied by the applicant and prepare a report in writing as to his/her observations, which report must accompany the application when the Verification Officer refers same. The Verification Officer is also allowed to collect such additional information pertaining to the application as he/she deems fit. The Verification Officer must assess the application and if the Verification Officer is of the view that the application has merits he shall proceed to refer the application for an external scan as stipulated in sub-paragraph (4) below. This information shall be entered into the Indigent Management System within 72 (seventy two) hours after receiving the information from the Verification Officer.

(4) Verification – External Scans

An external scan of applicants recommended as suitable candidates for indigent support in terms of sub-paragraph (3) above, must be conducted with UIF, SARS, Department of Welfare, Retail and credit bureau(s). The external scan must immediately follow the process after the information from the site visitation has been captured. The information of the external scan must then also be captured in the Indigent Management System within 72 (seventy two) hours after receiving the information from the Verification Officer. The external scan must be done separately from the site verification.

## **18. RECOMMENDATION**

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Once the verification has been completed, the Indigent Management System must generate a recommendation based on the information captured in the database. Those applicants that qualify for indigent support in accordance with the system are then to be referred to the Indigent Committee for final approval.



## **19. INDIGENT COMMITTEE**

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- (1) The Municipality shall have an Indigent Committee tasked with the execution of the functions allocated to the said committee in this policy. The Chief Financial Officer, in consultation with the Municipal Manager, shall appoint the members of the committee from officials of the Municipality having the required financial, legal and administrative skills to serve on this committee, and the committee shall be known as the “Indigent Committee”. This committee must meet at least twice a month and must ensure that systems are put in place to ensure communication between the Indigent Committee and the Ward Committees in the Municipality in order to ensure that the provisions of this policy are implemented, that it functions and filters down to the community. The Indigent Committee must monitor in conjunction with Ward Councillors, Ward Committees, CDW’s and other persons or organisations it may appoint, the execution and functioning of the indigent support programme.
- (2) The main task of the committee will be to see to the implementation of this policy, the proper functioning of the Indigent Management System of the Municipality, and to approve applications for indigent support. Once an application for indigent support is submitted to the committee, the date on which the application was submitted to the Indigent Committee shall be noted in the Indigent Management System, in order to track the status of the application within the process.
- (3) The Indigent Committee must consider each recommended application, assess and evaluate it on its own merits, taking duly cognisance of all the information submitted by the applicant and any other knowledge or information which members of the Indigent Committee may have in respect of the applicant.

- (4) The Indigent Committee may require any further information from the applicant they deem necessary in order to assist them in making a fair and justifiable assessment and may conduct site visits or require the applicant to attend an interview with the Indigent Committee.
- (5) The Municipality's Finance Department will assist the Indigent Committee and will review its financial system to determine if the applying household is on its system and if so, what the levels of consumption have been and the levels of payment from that household.
- (6) After the fair and objective assessment of each application, the Indigent Committee shall either approve or reject such an application.
- (7) Approved applicants must be included in the Municipality's financial system and the Municipal Manager must sign off on the approved application before the Municipality proceeds to connect or re-connect and provide the municipal services to the Registered Indigent.
- (8) In the event of a successful application, the Indigent Management System must be updated to show this, the system must be flagged to indicate that the application has been approved and a letter must be sent to the applicant, within 7 (seven) days, informing him/her of the approval of his/her application, the extent of the municipal services to which the applicant is entitled and the period for which the registration will remain valid. The applicant will be regarded as a Registered Indigent once the Indigent Management System is updated to reflect the approval of the application.
- (9) In the event that the application is declined, it must be captured as such in the Indigent Management System, and the system must be flagged and a letter sent to the applicant informing him/her of the refusal and the reason therefore the Indigent Committee must provide reasons, which are to be

captured on the Indigent Management System, recording why an application has been declined.

## **20. CONTINUOUS EVALUATION**

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The Indigent Management System must generate, on an annual basis, a list of site visits to be performed at Indigent Households of the Registered Indigents, and assign these to a Verification Officer. The Verification Officer must evaluate each Indigent Household the same as a new application and any changes in circumstances must be noted and -submitted to the Indigent Committee. This is to ensure that the system is kept current and that indigent support is in fact extended to those who require and still qualify for it..

## **21. RIGHT OF APPEAL**

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An applicant who feels aggrieved and whose rights are affected by a decision taken by the Municipality in respect of his/her application may lodge an appeal against that decision, which appeal must be dealt with as follows:

- (a) an appeal must be made in writing, setting out the details of the decision which are being appealed against, as well as the full details of the application or request initially lodged by the appellant, the outcome which was received pertaining thereto from the Municipality as well as the grounds of the appeal and the contact details and identity of the appellant lodging the appeal;
- (b) an appeal must be lodged with the office of the Municipal Manager within 21 (twenty one) days after the appellant received the decision of the Municipality against which the appeal lies;
- (c) once the office of the Municipal Manager has received a properly noted appeal, the office of the Municipal Manager must within 7 (seven) days proceed to request the office of the Chief Financial Officer or the Indigent Committee to provide a written report in

response to the grounds of appeal, within 14 (fourteen) days from being requested to do so, setting out the reasons for the decision of the Municipality. The Municipal Manager may request any party to provide further detail or information as required to assist in the consideration of the appeal or to clarify any issues;

- (d) the Municipal Manager shall then within 14 (fourteen) days after having received the response of the office of Chief Financial Officer or the Indigent Committee and any additional information requested, consider the appeal and inform the appellant who lodged the appeal of the outcome in writing;
- (e) the decision of the Municipal Manager is final;
- (f) the Municipal Manager may condone the late lodging of an appeal or any other procedural irregularity pertaining to an appeal in a written notice expressly doing so.

## CHAPTER 3

### INDIGENT SUPPORT

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#### **22. THE EXTENT OF INDIGENT SUPPORT**

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The extent of the monthly indigent support granted to a Registered Indigent, will be determined based on budgetary allocations for a particular financial year and the municipal tariffs determined for each financial year as part of the Municipality's budget process and as set out in the Tariff Schedule, as referred to in the Municipality's Tariff Policy and By-Law. The extent of the indigent support provided by the Municipality is as follows:

##### **(1) Electricity**

- (a) The National Electricity Basic Service Support Tariff (Free Basic Electricity) Policy, 1 April 2003, published under Government Notice 1693 in Government Gazette No. 25088 of 4 July 2003, provides that 50 (fifty) kWh per month is considered to be adequate electrical energy to meet the needs for lighting, media access, limited water heating and basic ironing (or basic cooking) for a poor household on the national electrical grid.
- (b) The National Policy on Free Basic Alternative Energy, 2007, published under Government Notice 391 in Government Gazette No. 29760 of 2 April 2007, provides for, and is intended to provide indigent households with alternative energy where electricity is not available because the indigent households are not on the national electrical grid. The Policy provides that a municipality must give energy to the value of R55.00 (fifty five Rand) as a minimum to an unelectrified indigent household. This amount should increase on an annual basis by the inflation rate plus 1,5%. This minimum amount will be revised on a 5 (five) year cycle.

(c) Taking into account the above mentioned, the Municipality will provide Free Basic Electricity/Alternative Energy in the following manner:

**(i) Electricity for households on the national electricity grid**

(aa) All Registered Indigents will receive 50 (fifty) kWh electricity per month fully subsidised.

(bb) Unused free electricity units will not be carried over to the next month. Any meter tampering will result that the subsidisation will be withdrawn. In the event of the electricity supplied by Eskom directly, the Municipality will pay over an amount to Eskom equal to 50 (fifty) kWh of electricity per month based on the customers registered with the Municipality as indigent and not based on any indigent records submitted by Eskom, from their own records.

**(ii) Alternative sources for households not on a national electricity grid**

(aa) The Municipality will give energy to non-grid indigent households to the value of R55.00 (fifty five Rand) per month, (or as prescribed the National Policy on Free Basic Alternative Energy from time to time) or an amount as determined and provided for by the Council in the annual budget from time to time and as published in terms of the Tariff Schedule, as referred to in the Tariff Policy and By-Law of the Municipality. The Municipality may provide a voucher to the Registered Indigent to obtain the energy from an approved merchant or supplier, in lieu of energy.

(bb) Alternative energy sources are *inter alia* paraffin, liquefied petroleum gas, coal and bio-ethanol gel.

**(2) Water**

- (a) The minimum standard for basic water supply services as prescribed in terms of Regulation 3 of the Regulations Relating to Compulsory National Standards and Measures to Conserve Water, published under Government Notice R509 in Government Gazette No. 22355 of 8 June 2001 and promulgated in terms of the Water Services Act, Act 108 of 1997, are as follows:
- (i) the provision of appropriate education in respect of effective water use; and
  - (ii) a minimum quantity of potable water of 25 (twenty five) litres per person per day or 6 (six) kilolitres per household per month:
    - (aa) at a minimum flow rate of not less than 10 (ten) litres per minute;
    - (bb) within 200 metres of a household; and
    - (cc) with an effectiveness such that no consumer is without a supply for more than 7 (seven) full days in any year.
- (b) The Municipality will provide Registered Indigent with 12 (twelve) kilolitres of water per month fully subsidised or an amount as determined and provided for by the Council in the annual budget from time to time.
- (c) The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

**(3) Sewerage**

- (a) The minimum standard for basic water supply services as prescribed in terms of Regulation 2 of the Regulations Relating to Compulsory

Nationals Standards and Measures to Conserve Water, published under Government Notice R509 in Government Gazette No. 22355 of 8 June 2001 and promulgated in terms of the Water Services Act, Act 108 of 1997, are as follows:

- (i) the provision of appropriate health and hygiene education; and
  - (ii) a toilet which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection against the weather , well ventilated, keeps smells to a minimum and prevents the entry and exit of flies and other disease-carrying pests.
- (b) All Registered Indigents shall be fully subsidised for sewerage levied.
  - (c) Residential properties with a value of R 60 000.00 or less are exempted from paying any sewerage charges.
  - (d) The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

#### **(4) Refuse Removal**

- (a) The minimum standard for basic refuse removal as prescribed in terms of paragraph 8 of the National Policy for the Provision of Basic Refuse Removal Services to Indigent Households, published under Government Notice 413 in Government Gazette No. 34385 of 22 June 2011, are as follows:
  - (i) Spatial and settlements demarcation for Basic Refuse Removal Services:



- (aa) More than 40 (forty) dwelling units per hectare (high density): Frequent and reliable formal collection and disposal of solid waste to a landfill is required.
  - (bb) 10 (ten) to 40 (forty) units per hectare (medium density): Communal collection and formal disposal of household refuse and litter is required.
  - (cc) Less than 10 (ten) dwelling units per hectare (low density): On-site disposal of general household waste in areas so designated by the Municipality and in accordance with the relevant guidelines for on-site disposal provided by the Municipality.
- (ii) Collection frequency (applicable to medium and high density settlements): The collection frequency is dependent on the composition and the volumes of waste generated. The most appropriate collection frequency in medium and high density settlements is set out as:
  - (aa) At least once a week for purely biodegradable domestic waste but on-site composting should be promoted.
  - (bb) At least once a month for recyclable materials in rural areas.
  - (cc) At least once fortnightly for recyclable materials in urban areas.
- (iii) Issuance of free receptacles:
  - (aa) The Municipality must provide appropriate free receptacles for refuse storage.
  - (bb) The number of free receptacles provided for household should be calculated based on the number of individuals residing in the household.

- (cc) The Municipality should device appropriate strategies to maintain a constant and consistent supply of such free receptacles.
  - (dd) Most communities do not consider the provision of skips as a “service”. Where this alternative is unavoidable, the Municipality should ensure that the refuse is collected for placement in the skip as part of the service. Skips must be serviced frequently enough to avoid littering or dumping.
- (b) All Registered Indigents shall be fully subsidised for the basic levy for refuse removal for one service connection as provided for by Council in the annual budget from time to time.
- (c) Residential properties with a value of R 60 000.00 or less are exempted from paying any refuse removal charges.
- (d) The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

**(5) Property Rates**

- (a) Notwithstanding the rebate of R 15 000.00 provided for in the provisions of MPRA applicable to residential properties, all Registered Indigents shall be fully subsidised for the payment of property rates provided for by Council in the annual budget from time to time and subject to the provisions of the Municipal Property Rates Act.
- (b) The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. This subsidy shall form part of the Tariff Schedule applicable for the financial year.

**(6) Burials**

In the event of the death of a member of a Registered Indigent household, the Municipality will exempt the household from the cost of digging and preparation of a grave, provided that the burial takes place in a municipal cemetery under the control and management of the Municipality. Such application must be in writing and accompanied by a certified copy of the Death Certificate, Burial Order and a sworn affidavit regarding the relationship of the applicant.

**(7) Exclusion**

Nothing in this policy shall be interpreted as creating any right in favour of an applicant or Registered Indigent to be supplied with any municipal services or to have municipal services provided to the Indigent Household where any municipal service is not currently available at such site. Subsidies awarded to Registered Indigents shall apply only to those municipal services available at the site.

## CHAPTER 4

### PROCESS MANAGEMENT

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#### 23. VALIDITY PERIOD

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- (1) Save for the provisions of sub-paragraph (2) below, the validity period of assistance will be for the duration that the applicant remains a Registered Indigent and whilst so registered meets the criteria for registration as an indigent. Indigent households, in terms of the audit and review process, will be subjected to scrutiny and occasional inspection to determine any change in status. The Municipality may at any time revoke the status of a Registered Indigent who no longer qualifies as such or who breaches terms of this policy or any other policy or by-law of the Municipality.
- (2) Indigent support is granted to a Registered Indigent for a period of 12 (twelve) months from approval of the applicant's application for indigent support. A Registered Indigent must re-apply for indigent support at the end of the 12 (twelve) month period depending on his/her circumstances.
- (3) A Registered Indigent shall lose their status as such and immediately cease to be entitled to any benefits as a Registered Indigent in the event that the Registered Indigent no longer qualifies in terms of this policy to be registered as an indigent. The Municipality shall remove the details of any person who whilst registered as an indigent ceases to qualify as such, from the Indigent Register.

#### 24. PUBLICATION OF REGISTER OF INDIGENT HOUSEHOLDS

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- (1) Names of Registered Indigents must be open for public perusal and comment. An applicant must give permission to the Municipality to publish

his/her name and address on a list of account holders who receives subsidy in terms of this policy.

- (2) Written objections from the public must be referred to the Indigent Committees who will be responsible for investigating the validity of any complaint and/or objection.

## **25. ARREARS AND EXCESS USAGE OF ALLOCATIONS**

- (1) On becoming a Registered Indigent, the arrears on the account of the Registered Indigent may be written off as provided for in the Credit Control & Debt Collection Policy & By-Law of the Municipality.
- (2) The Municipality may implement restrictions on the provisions of municipal services to Registered Indigents where the said municipal services are subsidised by the Municipality in terms of this policy. A Registered Indigent shall accept and consent to such restrictions as part of the terms and conditions upon which the Municipality provides indigent support to a Registered Indigent. Where restrictions are not possible the Registered Indigent shall be responsible for paying for the consumption utilised in excess of the approved subsidy quantity.
- (3) Upon the approval of an application for indigent support the water and electricity meters and measuring devices on the premises to which the municipal services are being rendered or relate will be converted to prepayment meters, at the cost of the Municipality, in order to enforce restrictions and measure the provisions of the said municipal services.

- (4) If a prepayment meter cannot be installed immediately, the Registered Indigent may be subjected to restriction measures to only allow for the monthly subsidised municipal services.
- (5) The writing off of any arrears is strictly subject to the provision that the premises to which the municipal services are being rendered or relate may not be sold within a period of 2 (two) years from the date that Registered Indigent is registered. In the case of the premises being sold inside a period of 2 (two) years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate in terms of section 118 of the Systems Act is issued by the Municipality.

## **26. TERMINATION OF INDIGENT SUPPORT**

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Indigent support to a Registered Indigent will be terminated under the following circumstances:

- (a) upon death of the Registered Indigent;
- (b) upon sale of the premises to which the municipal services, which are being subsidised in terms of indigent support, are rendered or relate;
- (c) when circumstances in the indigent household have improved to the extent where the income threshold, as determined by the Municipality in terms of this policy, is exceeded;
- (d) if there is any tampering or interference with the meters or measuring devices or restriction devices installed at the premises to which the municipal services, which are being subsidised in terms of indigent support, are rendered or relate;
- (e) if the Registered Indigent is found to misrepresent about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

- (i) all arrears and interest as provided for in the Credit Control and Debt Collection Policy of the Municipality will be written back as if the write off had not taken place, and become payable immediately;
- (ii) the credit control and debt collection measures as set out in the Credit Control & Debt Collection Policy and By-Law will apply; and
- (iii) the Registered Indigent will not be eligible to apply for indigent support for a period of 5 (five) years.

## **27. AUDIT AND REVIEW**

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- (1) The Municipality may conduct regular audits on Registered Indigents on the Indigent Register with regard to the information furnished by Registered Indigents, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of Registered Indigents. Registered Indigents shall be required to furnish such information as requested by the Municipality to conduct the audits from time to time.
- (2) The frequency of audits will depend on the institutional capacity of the Municipality to do so. Quarterly targeted audits and reviews should be undertaken to ensure the verification and re-registration of each Registered Indigent at least once in a 3 (three) year cycle.
- (3) The Municipality reserves the right to send officials or its agents to indigent households from time to time for the purpose of conducting an on-site audit.

- (4) Where any doubt exists regarding the current status of a Registered Indigent, the matter should immediately be referred to the Indigent Committee for verification at any time.

## **28. EXIT PROGRAMME**

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- (1) Registered Indigents and the members of the indigent household headed by that Registered Indigent must be prepared to participate in exit programmes co-ordinated by the Municipality in collaboration with other government departments and the private sector.
- (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 (LED) initiatives and in the implementation of integrated development programmes where possible. Registered indigent and indigent households must partake in these programmes if so required by the Municipality.
- (3) The Municipality must promote exit from indigence by:
- (a) identifying Registered Indigents for inclusion in public works projects;
  - (b) initiating local job creation projects such as cleansing operations, small infrastructure projects, etc;
  - (c) facilitation of opportunities to enter the informal trade market;
  - (d) facilitation of food security projects; and
  - (e) liaison with National and Provincial departments to include Registered Indigents and other indigent persons in their public works programmes.



## CHAPTER 5

### MISCELLANEOUS PROVISIONS

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#### **29. DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER**

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- (1) The Chief Financial Officer or his/her delegate will be responsible to compile and administer the database for Registered Indigents registered in terms of this policy.
- (2) Registration will take place in terms of this policy 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.
- (3) The Chief Financial Officer or his/her delegate will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.

#### **30. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION**

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- (1) Applicants will be required to sign and submit a 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. Non-compliance will make the application for indigent support invalid.
- (2) Any applicant who supply false information will be disqualified from further participation in the indigent support scheme and be liable for the immediate repayment of all subsidies received and all debts including arrears and

interest thereon that have previously been written off. The Municipality may furthermore institute criminal proceedings, as it may deem fit.

- (3) Registered Indigents shall immediately notify the Municipality of any changes in his/her or the indigent household's indigent status or circumstances where such change would mean that the Registered Indigent no longer meets the criteria for registration.

### **31. METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY**

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- (1) No amount of money shall be paid to any Registered Indigent, but the subsidy shall be transferred, credited or indicated on a monthly basis:
  - (a) towards the Registered Indigent's municipal account in respect of the premises to which the municipal services, which are being subsidised in terms of indigent support, are rendered or relate; and/or
  - (b) on the prepayment metering system installed on the premises to which the municipal services, which are being subsidised in terms of indigent support, are rendered or relate.
- (2) Any credits or subsidies shall be based on the monthly current account of the Registered Indigent only and in accordance with the Tariff Policy.
- (3) Subsidies, credits and vouchers shall not be transferable and no unused portion shall carry forward.

### **32. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS**

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When a person qualifies and is registered as a Registered Indigent, any municipal services rendered to or relating to the premises to which the indigent support relates

which are at that time disconnected or terminated by the Municipality, shall be reinstated by the Municipality without any cost to the Registered Indigent. If services are to be restricted, discontinued or terminated in terms of the Credit Control & Debt Collection Policy after the Registered Indigent was registered as such, the approved tariff for reconnection will be payable by the Registered Indigent.

### **33. DEPOSITS**

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- (1) In terms of the Credit Control & Debt Collection Policy and By-Law of the Municipality, all consumers must apply for the provision of municipal services before such services are rendered to a particular premises and such services will only be rendered once the consumer's application is approved by the Municipality and a written service agreement is concluded, at which time the consumer becomes a customer of the Municipality. On application for the provision of municipal services the consumer applying for the rendering of the municipal services must pay a deposit as prescribed by the Municipality.
- (2) For the purposes of this policy and the rendering of indigent support to Registered Indigents, accounts will be opened for Registered Indigents without requiring the payment of any deposit. This is made possible through the fact that the value of services levied against these accounts is fully offset on a monthly basis against the applicable subsidy. This arrangement will immediately terminate if the status of the Registered Indigent changes.
- (3) **Where a person is registered as an indigent, the Municipality may, if it has not already done so, appropriate any deposit for services to the arrears before effecting any write off.**

*Where a person is allocated housing as per the RDP project, accounts will be opened without requiring any deposit.*

### **34. MONITORING AND REPORTING**

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The Chief Financial Officer must report monthly on the status and implementation of indigent support in the Municipality 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 shall reflect, with reference to the financial year and month to which the report relates, on the:

- (a) number of application for indigent support received;
- (b) the number of application for indigent support approved;
- (c) number of Registered Indigents currently in the Municipality;
- (d) amount of subsidy allocated per subsidy category;
- (e) total amount spent by the Municipality on indigent support;
- (f) amount of debt accumulating and debt recovery information (number of customers; enquires; arrangements for the paying off of debt in instalments; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);
- (g) performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:
  - (i) number of applications for indigent support dealt with;
  - (ii) time taken to process and finalise applications;
  - (iii) site visits undertaken; and
  - (iv) awareness and exit initiatives;
- (h) changes in the status of Registered Indigents.

### **35. CAPACITY BUILDING**

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The Municipality must ensure that all officials and councillors are appropriately capacitated in the contents, effect, implementation and workings of this policy in

order to ensure that this policy is implemented and extended to indigent persons who need the support extended by this policy to them.

### **36. IMPLEMENTATION AND REVIEW OF THIS POLICY**

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- (1) This policy shall be implemented once approved by Council as part of the budgetary policies of the Municipality, as referred to in the provisions of regulation 7 of the Municipal Budget & Reporting Regulations, 2008, and section 17(3)(e), section 21(1)(b)(ii)(bb), section 22(a)(i) and section 24(2)(c)(v) of the MFMA.
  
- (2) In terms of the provisions of section 17(1)(e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.



**APPLICATION TO BE REGISTERED ASA REGISTERED INDIGENT**

**MUNICIPAL ACCOUNT INFORMATION**

Account No.:		Date of application:	
Account Name:		Erf No.:	
Street name:			
House No.:		Pre-paid No.:	
Total valuation below a R100 000.00:	YES / NO	Tax Rebate form:	YES / NO

**APPLICANT'S PERSONAL INFORMATION**

Surname of applicant:			
Full Names:			
Identity Number:			
Physical address:			
Postal address:			Postal Code:
Telephone No.:	Home:		Work:
	Cell:		Fax:
Marital Status:	Married	Single	Divorced
			Widowed
Husband/Life partner:	Birth date:		ID Number:
Wife/Life partner:	Birth date:		ID Number:
Husband's Pension No.:		Wife's Pension No.:	
Name of Employer of applicant:			
Employer's address:			
Contact number of Employer:			

<i>(delete which is not applicable)</i>					
1. Do you own a motor vehicle?				YES / NO	
If Yes, what is the registration number?					
2. Do you have a clothing/furniture account?				YES / NO	
3. Do you have a spaza shop or any other business activity on the premises to which the municipal services are rendered or relate to?				YES / NO	
If Yes, what is your gross monthly income from that business?				R	
4. Do you have tenants in your premises?				YES / NO	
If Yes, how many tenants do you have?					
What is your total rental income?				R	
5. Do you own other property?				YES / NO	
If Yes, address of property(ies):					
<b>Personal particulars of all occupants above the age of 18 years residing on the premises to which the municipal services are rendered or rebate to:</b>					
ID Number	Surname	Initials	Employed (Yes/No)	Gross monthly income	Source of income

**DOCUMENTS REQUIRED**

**The applicant is required to submit the following documents and the Municipality will not process the application if the required documentation is not provided.**

- (a) the latest municipal account for the household, if there is such an account;
- (b) a certified copy of the account holder's and/or applicant's identity document;
- (c) proof of the income of **all** occupants residing on the premises to which the municipal services are rendered (or to be rendered) or relate, above the age of 18 (eighteen) years, i.e. a letter

from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as “looking for employment”;

- (d) bank statements of all the occupants residing on the premises above the age of 18 (eighteen) years, for the last 3 (three) months, certified by the bank and a sworn affidavit from each occupant that no other bank accounts exist;
- (e) in the absence of any proof to be submitted either through sub-paragraphs (c) or (d) above, a sworn affidavit must be submitted by the applicant together with the documentation required in terms of paragraphs (a) and (b) above;
- (f) written proof of property ownership or written proof of the existence of the criteria set out in paragraph 13(1)(b)(ii) of the Indigent Policy of the Municipality which are as follows:
  - (i) 2 (two) affidavits from mayor persons confirming that the applicant is a child heading a household accompanied by the death certificate(s) of the child’s parents and written proof that the residential property is registered in the name of the deceased parent or deceased parents of that child; or
  - (ii) the divorce order awarding the residential property to the applicant; or
  - (iii) the appointment letter of the executor of the estate and affidavit by the executor confirming that one of the following scenarios is applicable:
    - (aa) the residential property is registered in the name of the deceased and the applicant is the heir to whom the registered property has been bequeathed;
    - (bb) the applicant is the surviving spouse who was married in community of property to the deceased, together with any other heirs, if any, and that the residential property is registered in the name of that deceased; or
    - (cc) that a portion of the residential property is registered in the name of the deceased and that the applicant is the surviving registered owner of the remainder or a portion of the remainder of the property; and
- (g) such other documentation as the Municipality reasonably determines from time to time.

#### **DECLARATION BY APPLICANT**

I the undersigned, \_\_\_\_\_ **(full names and surname printed)** hereby apply to be registered as a Registered Indigent in order to receive indigent support in terms of the Indigent Policy of the Municipality, and do solemnly hereby declare under oath that:

- (a) All the particulars furnished by me in this form, including the total gross income of myself and all the occupants above the age of 18 years residing on the premises, are to the best of my knowledge true and correct;



- (b) I undertake that if the particulars furnished in this form should change for any reason, I will immediately notify the Municipality in writing thereof;
- (c) I, nor any other occupant residing on the premises, own any other immovable property in the Republic of South Africa, apart from the property indicated on the account for which this application is made;
- (d) I understand that should my monthly consumption exceed the free allocation of water and remain unpaid, my supply may be restricted by a flow control washer or any other method the Municipality may deem fit, and I will then only have access to my free allocation of water;
- (e) I understand and agree that I may be subjected to restriction measures to only allow for the monthly subsidies municipal services;
- (f) I agree that if I have misrepresented myself in the qualifying criteria in order to benefit from Municipality's indigent support, I would be committing an offence and all benefits that have been received in terms of the indigent support will be reversed. Any amounts due will be for my account and I will be subject to normal debt collection procedures;
- (g) I am a South African citizen;
- (h) The Municipality may conduct any investigation, internal or external, including credit checks at any credit bureau to confirm any of the information provided by me and I hereby agree to any on-site visit by and municipal official;
- (i) I accept that his application, if successful, will only be valid for 12 (twelve) months from date of approval and the onus will be on me to re-apply, if necessary, the end of the 12 (twelve) month period;
- (j) This application will be subject to the terms and conditions as contained in the Indigent Policy of the Municipality as well as the Credit Control & Debt Collection Policy and By-Law of the Municipality;
- (k) I agree that the information contained in this document is not confidential. A list of approved applicants (Registered Indigents) will be handed to Councillors, and will be publicly displayed;
- (l) Due to the uncertainty of the availability of funds, the amount of allocation as well as the period of payment cannot be guaranteed by the Municipality.

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**SIGNATURE/THUMB PRINT OF APPLICANT**

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**DATE**

Signed and sworn before me at \_\_\_\_\_ on this the \_\_\_\_ day of \_\_\_\_\_ 20\_\_, the deponent having acknowledged that he/she knows and understands the contents of this declaration and that he/she has no objection to the taking of the prescribed oath and that he/she considers it binding on his/her conscience. I certify that the provisions of Regulation R.1258 of 21 July 1972 have been complied with.

COMMISSIONER OF OATHS FULL NAMES	SIGNATURE
COMPLETED BY:	
COUNCILLOR:	

CHECKED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

APPROVED/NOT APPROVED:

ACCOUNTANT: \_\_\_\_\_

DATE: \_\_\_\_\_

CAPTURED BY: \_\_\_\_\_

DATE: \_\_\_\_\_



## VERIFICATION FORM

<b>Name: Verification Officer</b>	
<b>Ward number:</b>	
<b>Address visited:</b>	
<b>Date visited:</b>	
<b>Individual consulted:</b>	
<b>Declaration by Verification Officer</b>	
I declare that I paid a visit to the premises as stated above. I am in possession of a copy of the prescribed application form and declare that the details contained therein have been verified by me. I am of the opinion that the contents of the application form are true and correct/false or incomplete.	
<b>If false or incomplete, complete the following:</b>	
<b>Recommendation:</b>	
<b>Reasons for my decision:</b>	
I, _____ (full names), , recommend that support is not granted.	
_____	_____
<b>SIGNED</b>	<b>DATE</b>
<b>If information found to be correct, complete the following:</b>	

I, \_\_\_\_\_ (full names),  
, recommend that support be granted.

\_\_\_\_\_  
**SIGNED**

\_\_\_\_\_  
**DATE**

**Date received back from Verification Officer:**