

UMHLABUYALINGANA MUNICIPALITY



INDIGENT SUPPORT POLICY 2024/2025

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1. DEFINITIONS

In this Indigent Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal System Act, 2000 (Act No.32 of 2000) and other related Legislations/Relations, has the same meaning as in that Act.

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

“Child headed household” refers to a household where both parents are deceased and where all occupants of the property are children of the deceased and all are under the legal age to contract for services and are considered as minors in law by the state;

“Consumption” means the ordinary use of municipal services, including water, sanitation, refuse removal, and electricity services for domestic or household purposes;

“free basic water” means the maximum amount , volume or consumption of water determined by resolution of the council from time to time that will be provided free of charge as reflected in the Council’s tariffs;

“Indigents” means owners and/or occupiers of residential property where the combined municipal value of the land and buildings or the vacant land value of such property is equal to, or less than , the values determined by resolution of the Council;

“Application for Indigent” means a resident in charge of a household and who is responsible for payment of municipal charges and whose combined household income is equal to or less than the amount as determined by the Council to qualify for indigent status and has made application to the Council and is accepted to be classified as an indigent;

“Municipal value” means the total combined value of land and buildings on a property, as reflected in the municipal valuation roll;

“Municipal services” means electricity, water, sanitation and refuse removal services provided by the municipality;

“Rates” means property rates on property in the municipality; any other tax, duty or levy imposed by the municipality;

“Refuse charge” means the monthly charge levied by the municipality for the removal of solid domestic waste;

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

LEGISLATIVE FRAMEWORK

This framework is designed and implemented within the contexts, but not limited to other prescripts:

- a) The Constitution of the Republic of South Africa, Act 108 of 1996;
- b) The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- c) The Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);
- d) The Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);
- e) The Property Rate Act, 2004 (Act No. 6 of 2004)
- f) The Local Government: Municipal Property Rate Acct. 2004 (Act No. 6 of 2004)
- g) The Local Government :Municipal Structure Amendment Act, 2000 (Act No. 33 of 2000)
- h) The Local Government Municipal Systems Act 2003 (Act No. 32 of 2003)
- i) The Free Basic Alternative Energy Policy 2007;
- j) The Free Basic Electricity Policy 2003
- k) The free Basic Water Implementation Guideline for Local Authorities 2002;
- l) The Free Basic Implementation Strategy 2007; Consolidating and Maintaining;
- m) The National Policy for Provision of Basic Refuse Removal Services to Indigent Households 2011;
- n) The Local Government Equitable Share Municipal Demonstration Spread sheet for 5 year (2013/2014 to 2017/18 financial year).

2. OBJECTIVES

2.1. The objective of the Indigent Support Policy is to ensure the following:

- 2.1.1 The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- 2.1.2 To provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using the council's budgetary provisions received from Central Government, according to prescribed policy guidelines.

2.2. The Council also recognises that many of the residents can simply not afford the cost of full provision and for this reason the council will endeavour to ensure affordability through:

- 2.2.1 Setting tariffs in terms of the Council's Tariff Policy, which will balance the economic viability of continued service delivery; and
- 2.2.2 Determining appropriate service levels.

3. RESPONSIBILITY/ACCOUNTABILITY

The Council has the overall responsibility for laying down the indigent Support Policy and the Municipal Manager is responsible for the implementation of this Policy.

4. INDIGENT SUPPORT POLICY PRINCIPLES

4.1. The following should be the guiding principles in implementing the Indigent Support Policy:

- 4.1.1 The Indigent Support Policy is in accordance with the Local Government Municipal System Act No 32 of 2000, Municipal Property Rate Act no 6 of 2004 and other amending or related legislation.
- 4.1.2 Relief will be provided by the Council to registered residential consumers of services.
- 4.1.3 The Council must, wherever possible, ensure that any relief is constitutional, practical, fair equitable and justifiable to avoid alienating any group of households. There should be no differentiation whatsoever of any

residential consumers. It should only differentiate in the levels of service rendered.

- 4.1.4 The subsidy for minimum service levels should not result in the creation of a complicated administration that would not be cost effective to complement.
- 4.1.5 Differentiation must be made between those households that cannot afford to pay for basic services and those who just do not want to pay for these services.
- 4.1.6 The payment of services should be affordable to the indigent.
- 4.1.7 The Indigent Support Policy will prevail as long as funds are available.
- 4.1.8 The Council may review and amend the qualifications for indigent support.
- 4.1.9 The collective or joint gross income of all the households will be taken into account. The household income must be correctly reflected on the application form requesting indigent support.
- 4.1.10 The account holder or property owner of a household may formally apply on the prescribed application forms for the relief and, once approved, will qualify for the indigent support according to the prescribed criteria/principles laid down by the Council. After the application form has been completed, an effective and efficient Evaluation system should be used in order to obtain the outcome within a reasonable time determined by the Council.
- 4.1.11 Disciplinary measures decided by the Council, should be imposed on people who misuse the system and provide incorrect information.
- 4.1.12 An approved community communication programme, embodying the principles of transparency and fairness, should be implemented in respect of the indigent support programme.
- 4.1.13 A register for indigents is to be maintained by the municipality.
- 4.1.14 Any other principle is to be decided by the Council.

5. CRETIRIA FOR QUALIFICATION FOR INDIGENT SUPPORT.

- 5.1. Households whose verified total gross monthly income of all occupants over the age of 18 years that does not exceed the amount determined by the Council which is a total amount of R4 400.00 excluding child and foster grant per month i.e., two current

monthly social assistance grant payable per person by the Department of Welfare will qualify for assistance on:

- 5.1.1 Refuse charges
- 5.1.2 Electricity

- 5.2. Indigent support will apply to all households whose total monthly income is less than or equal to the above-mentioned amount, irrespective of the source of income.
- 5.3. Indigent support will not apply in respect of households which own more than one property.
- 5.4. Indigent support will be considered for terms of Council owned properties.
- 5.5. It may happen that even with the introduction of the indigent policy, certain households may fall into arrears in respect of the amounts due by them. The property owner/account holder concerned will have to make immediate arrangements with the Municipal Manager to pay off these arrears owing within a reasonable time determined by the Municipal Manager in terms of the Municipality's credit control & debt collection policy.
- 5.6. Only registered residential consumers of services delivered by Council may apply.
- 5.7. The indigent must be full- time occupant of the property concerned to qualify.
- 5.8. Households are to formally apply for relief on the prescribed documentation and satisfy the quality criteria/principles determined by the Council before indigent support be provided.
- 5.9. Required documents are as follows; Identity document copy/birth certificate, Proof of income/affidavit if you don't have proof of income, proof of resident (for official use).

6. CHILD HEADED HOUSEHOLDS

- 6.1. In the case of Child Headed Households, where the conditions for services and rates meet the qualification criteria referred to in Section 5, and the household is declared indigent after consultation and approval by the Ward Councillor and where the combined income of all minor children is less or above than the as determined by the Council for qualification, the household will receive the applicable indigent concessions outlined in Section 5.
- 6.2. The consolidated account may continue in the name of the deceased parent/s until the estate is transferred to the heir or heirs of the estate.

6.3. In the case where an executor of the estate is appointed and has jurisdiction over the minor children, the executor would be required to make provision for payment of the consolidated account.

7. PERIOD FOR QUALIFICATION

The period for implementation of the Indigent Policy is valid 12 Months. Any person deemed to be indigent other than elderly and disabled will have to re-apply after every 12 Months. **The elderly and disabled need not to re-apply but the Municipality has to verify their existence as per indigent register.**

8. EXTEND FOR INDIGENT SUPPORT

- 8.1. Households qualifying for indigent support will be required to change over from the conventional (credit) meters to prepayment meters in respect of electricity.
- 8.2. The subsidies on rates and specified services charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.
- 8.3. The extent of the monthly support will be determined by the Council's budgetary provisions and/or the amount subsidised from the Central Government for indigent support.
- 8.4. In respect of electricity, Free 50 KwH will be given to indigent household; however, should consumption exceed the amount determined by the Council per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding the amount determined by the Council. Eskom will bill the Municipality monthly, according to the number of tokens taken by consumers on that month.
- 8.5. In respect of charges for household refuse removal, the relief granted shall not be less than a rebate of 100% on the monthly amount billed for the service concerned.
- 8.6. In respect of property rates for indigents, the rebate should be 100% of the rates based on the rateable value.
- 8.7. The level of indigent support shall not exceed the monthly billings to the account.

9. DISTRIBUTION OF THE INDIGENT SUPPORT

- 9.1. The relief must be significant so as to relieve the recipient of the financial hardship for a specific period.

- 9.2. All registered consumers will be charged the determined economical tariff or charge.
- 9.3. The recipient's monthly account will be credited with the amount of indigent as determined by the Council on a monthly basis.
- 9.4. The household may apply for continuation of the relief depending on his/her circumstances.

10. APPLICATION FOR INDIGENT SUPPORT

- 10.1. Applications for relief must be made on the prescribed forms. The applicant must comply with all the necessary requirements.
- 10.2. The application form to contain, inter alia, the following important information: 10.2.1
 - Name of applicant;
 - 10.2.2 Number of family members above 18 years in the household;
 - 10.2.3 Residential ward number;
 - 10.2.4 Identification documents; and
 - 10.2.5 Names, ID numbers, and contact details of dependants/occupants.
- 10.3. Failure to comply herewith shall result in the applicant's indigent status being revoked.
- 10.4. Application for continued indigent support must be made annually, failing which support will be suspended for that year.
- 10.5. The onus at all times, to re-apply for continued relief or submit proof of change in circumstances, rests on the household/applicant.
- 10.6. The Municipality will provide assistance to persons, who cannot read or write, at the municipal offices.

11. APPEAL

- 11.1. An indigent household whose application has been declined, may appeal against such decision.
- 11.2. The appeal must be in writing and lodged with Accounting Officer within 14 days after receipt of the notification setting out:
 - a) The reason for the appeal
 - b) Any other documentary proof in support of the appeal.
 - c) The appeal shall be decided:
 - i. Within 21 days after lodgement of the appeal;

- ii. Strictly in terms of the provisions of this policy ;
- iii. By three officials from Community, designated by the Accounting Officer.

d) The decision of the committee is final and the appellant shall be notified of the outcome in writing.

12. OFFENCES

Any applicant who misuses the indigent support policy or provides incorrect information to the Municipality and or tampers with the supply of services or municipal installations, shall be subject to forfeiture of indigent status, criminal prosecution and other measures as determined by the Credit and Debt Collection Policy.

13. ARREARS ON INDIGENT ACCOUNTS

The value of write-off on arrears of indigent accounts will be as per Council resolution from time to time.

14. NOTICES AND DOCUMENTS

A notice or document issued by the terms of this policy shall be deemed to be duly issued if signed by an employee duly authorised to do so

If a notice is to be served on a person in terms of policy, such service shall be affected by;

- i. Delivering the notice to him personally;
- ii. By delivering the notice at his /her residence or to a person apparently not less than sixteen years of age and apparently residing or employed there;
- iii. If he has nominated an address for legal purposes, by delivering the notice to such an address or by registered certified post addressed to his/her last known address.
- iv. If services cannot be affected in terms of the aforesaid sub-sections by affixing it to the principal door of entry to the premises, or displaying it on a conspicuous place on the land.

15. CONTROL MEASURES FOR THE DISTRIBUTION OF INDIGENT SUPPORT

15.1 The department of Community services will be appointed to be the administer of the indigent support programme.

15.2 The department of Community will scrutinise each application prior to approval.

15.3 Once applications are approved the indigent register will be formed and will be submitted to Council for nothing.

- i. For the purposes of transparency, the indigent register and following key information of the recipient's indigent support should, where possible, be displayed on the notice board at the cashiering offices of the services that are rendered to the recipients;
- ii. Total household income; and
- iii. Number of dependants residing on the property.

15.4 Any resident may query the qualification of a recipient in writing, within 14 days from the date of publication, to the Council and any other measure decided by the Council.

16 ACTION AGAINST MALPRACTISES

16.1 The Council may refer queries to the Finance department for Indigent Support Policy, who may take the following action:

- 16.1.1 Request the resident to provide full proof of his/her banking account and income details as well as pension registration;
- 16.1.2 Direct inquiry at the recipient's residence;
- 16.1.3 Request a social welfare worker's report on the household
- 16.1.4 Refuse the person who acted fraudulently by not considering the aforementioned household for indigent relief for a period extending for five (5) years beyond the financial year in which the misdemeanour was detected; and

16.2 Any other action decided by the Council.

16.3 If it is established that incorrect information was furnished in obtaining relief the following action can be taken:

- 16.3.1 Suspend or stop the relief immediately;
- 16.3.2 Recover from the recipient the amount of relief furnished by debiting his account;
- 16.3.3 Normal credit control in accordance with the Council's credit control policy will apply; and
- 16.3.4 Institute a criminal charge of fraud against the recipient.

17 BASIC SERVICES OFFERED TO THE INDIGENT

17.1 Generally, Indigent Support is provided for the following services, rates, refuse and electricity, subject to funds being allocated and the relevant criteria being adhered to, however for uMhlabuyalingana Municipality, the only service that is offered for indigent support is:

17.1.1 Electricity

17.2 Funding agreement with Eskom

17.2.1 Eskom shall provide 50 kWh of electricity to eligible customers and shall charge the Municipality for the FBE on the basis of the recommended National Tariff for the provision of FBE as amended by the National Energy Regulator of South Africa (NERSA) from time to time. The Municipality shall annually at the beginning of its financial year inform Eskom of the amount of funding to be allocated for the rendering of FBE.

17.2.2 Eskom shall furnish the Municipality with monthly Tax Invoices detailing the FBE units issued and the total amount owed by the Municipality to Eskom.

17.2.3 There are three obligations to choose from as the Municipality;

- Technical Targeting Agreement
- Municipal Indigent Policy Agreement
- Municipal Blanket Policy Agreement

17.3 The Council can determine special tariffs for the use by the Indigent for the following services subject to the availability of funds and compliance with the prescribed criteria:

17.3.1 Sports Grounds;

17.3.2 Fire Protection;

17.3.3 Market;

17.3.4 Agricultural Properties;

17.3.5 Hiring Halls;

17.3.6 Cemeteries and Crematoria

18 INDIGENT EXIT PROGRAMME

18.1 The Municipality needs to work with LED Section to use the Indigent persons in their programs for the indigent register to circulate. The indigent register need to be reviewed annually.

19 DISCRETIONARY POWERS

19.1 The Council has the discretionary powers to amend any clause, stipulation or tariff embodied in the Indigent Support Policy in the interest of the parties concerned.

20. COMMUNICATION PROCEDURES AND IMPLEMENTATION STRATEGY

20.1 The Municipality has developed the draft free basic services communication and implementation strategy in terms of which communities will be informed and educated in order to have a clear understanding of this Policy and implementation thereof.

20.2 Regular information dissemination and awareness campaigns will be undertaken and eliminate unrealistic expectations both in terms of qualifying for the free basic services subsidy as well as the services that will be rendered and the qualifying for subsidy as well as service delivery in general and methods of communication that will be used, but not be limited to;

- 20.2.1 Ward committees;
- 20.2.2 Traditional leaders, where applicable;
- 20.2.3 Community based organisations;
- 20.2.4 Local radio stations and newspapers;
- 20.2.5 Social media pages
- 20.2.6 Municipal accounts; and
- 20.2.7 Izimbizo's and road shows

21. COMPLIANCE AND INFORCEMENT

- a) Violation of or non-compliance with this policy will give a just cause of disciplinary steps to be taken.
- b) It will be the responsibility of chief financial officer to enforce compliance with this policy.

22. EFFECTIVE DATE

The policy shall come to effect upon approval by the Council of Umhlabuyalingana Local Municipality.

23. POLICY ADOPTION

This policy has been considered and approved by the COUNCIL of **UMHLABUYALINGANA LOCAL MUNICIPALITY** as follows:

Resolution No: UMHC123

Approval Date: 27 May 2022



UMHLABUYALINGANA MUNICIPALITY INDIGENT SUPPORT APPLICATION FORM

1. Name of applicant: _____
2. Number of Family Members above 18 years in the household: _____
3. Residential Ward No._____
4. Name of Voting district (VD): _____

Please indicate the service you wish to apply for (X):

Electricity only:

Refuse removal only:

Other services:

Please attach copies of requested documents, Failure to do so would result in the application being declined.

Required documents:

1. Identity document copy / Birth certificate
2. Proof of income/Affidavit if you don't have proof of income
3. Proof of resident (For official use)

I _____ hereby confirm the truthfulness of the above information and I promise to keep you informed immediately about any changes regarding the above family's financial status.

Signature of Applicant: _____ Date: _____

FOR OFFICIAL USE:

Approved by: _____ Date: _____

Signature: _____

Please note the following:

1. This form only applies to South African Citizens.
2. This form only applies to households earning less than R3 950.00.
3. False declaration on this application form may result to the municipality taking legal actions against the applicant.
4. All applicants will be subjected to Vetting.