



ILEMBE DISTRICT MUNICIPALITY

2015-2016

INDIGENT SUPPORT POLICY

INDEX

PAGE NO.

1. Objectives and principles	3
2. Qualification for indigent support	4
3. Requirements	4
4. How to apply	5
5. What does the indigent support benefit cover	5
6. Processing of applications	6
7. Duration of relief	6
8. Responsibility of the indigent support applicant/beneficiary	7
9. Verification of status of beneficiary	7
10. Usage in excess of the basic service levels & arrears on Indigent accounts	8
11. Withdrawal of indigent support by municipality	8
12. Extenuating circumstances	9
13. Miscellaneous	9
14. Communication	9
15. Policy adoption	10

1 Objectives and Principles

1.1 In terms of section 74 (1) of the Local Government: Municipal Systems Act, 2000, the Council of Ilembe District Municipality is required to adopt and implement a tariff policy on the levying of fees for municipal services. In terms of section 74 (2) (c) of the aforementioned act, the tariff policy must reflect, inter alia, the principle that poor households must have access to at least basic services through (i) tariffs that cover only operating and maintenance costs, or (ii) special tariffs or life line 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 subsidization of tariffs for poor households.

1.2 Because of the level of unemployment and consequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality therefore adopts this indigency management policy to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

1.3 In order to provide basic services, the Council will:

1.3.1 Determine appropriate service levels;

1.3.2 Set tariffs which will balance economic viability of service delivery with service levels.

1.4 The Council will be guided by the following principles in implementing this policy:

1.4.1 Due regard shall be had to the Constitution, the Local Government: Municipal Systems Act, 2000, and other relevant legislation;

1.4.2 Relief provided under this policy must, to the extent that is practicable, be practical, fair, equitable and justifiable, in order to avoid alienating any group or groups;

1.4.3 Bureaucratic administration of the policy must be efficient;

1.4.4 The payment of services must be affordable to the indigent.

2 QUALIFICATION FOR INDIGENT SUPPORT

- 2.1 Households where total gross monthly income of all occupants over 18 years of age does not exceed such amount as determined annually by the Executive Committee subsidy in number ¹ as to who will qualify for indigent support subsidy.
- 2.2 Only households where the account holder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been approved and entered into the register of indigents shall qualify for the above concessions.
- 2.3 Subsidized services may include water and sanitation rebates including desludging services to consumers who are deemed to be indigent.
- 2.4 Only households where the accountholder or property owner has applied for an indigent status, and whose application has been accepted shall qualify for the above relevant concessions.
- 2.5 Households must formally apply for relief on the prescribed documentation and satisfy the qualifying criteria/principles determined by the Council.
- 2.6 The status of an indigent is conferred for a period of not more than twenty four (24) months after which re-application must be made.
- 2.7 The onus is on the indigents to declare their indigent status annually also the onus is on the recipient to inform the Municipality of any change in his/her financial status or personal household circumstances
- 2.8 No subsidy shall be extended to deceased people. If the deceased was on the Indigent Register then it is up to the executor to apply for an indigent relief in order to render or gain indigent support.

3 REQUIREMENTS

The following documents should be submitted together with the application form:

- 3.1 Certified copies of identity documents for household members 18 years and above.
- 3.2 Certified copies of birth certificates of household members younger than 18 years.

¹ As determined in the annual municipal tariff structure

3.3 Certified copies of proof of income or written affidavits confirming status of employment or circumstances from each household member 18 years and above

3.4 Proof of ownership or occupancy e.g. lease or rental agreement. Letter from ward councilor confirming occupancy status for unplanned townships including rural areas.

3.5 Where property owner or account holder is deceased, copy of the death certificate and letter from ward councilor confirming that applicant resides in the dwelling.

4 HOW TO APPLY

4.1 The legal owner, tenant or occupier of a dwelling who is responsible for the payment of the services account must apply for the household to be registered as indigent.

4.2 Application forms are available from any Revenue Offices within the Ilembe District Municipality and can also be posted on request.

4.3 Indigent relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area as set out in the valuation roll or other means of obtaining ownership data.

5 WHAT DOES THE INDIGENT SUPPORT BENEFIT COVER

On approval of the application the Municipality shall provide the following:

5.1 Basic Municipal Services which include:

5.1.1 Access to a minimum safe water supply² as determined by Council

5.1.2 Adequate sanitation³ as determined by Council

5.2 A prepaid meter may be installed on properties of consumers who are on the Indigent support programme.

5.3 Write-off of all debt outstanding on the approval of indigent application

5.4 Municipality may install an electronic/intelligent meter which will dispense free

² As determined in the annual municipal tariff structure

³ As determined in the annual municipal tariff structure.

basic water and any usage above the prescribed kiloliters will be prepaid for by the indigent/accountholder.

5.5 Where there are leaks after the meter or in the property, they may be attended to in terms of the by-laws and the cost may be recovered from the Indigent Support allocation.

5.6 Excess usage in the event of death shall be recovered from the Indigent Support allocation

6 PROCESSING OF APPLICATION

6.1 The application will be processed within two weeks (14 days) of receipt by Municipality in a manner prescribed by the internal processes.

6.2 For the purposes of transparency, on an annual basis the following key information of the recipients of indigent support shall be displayed on all Councils and Local Municipalities notice boards.

6.3 Any resident may query the qualification of a recipient in writing.

6.4 A report on Indigent Support shall be done to the Finance Portfolio Committee on a monthly basis.

6.5 The District Municipality can with written consensus communication with the Local Municipality utilize their indigent register to update the District Municipality's indigent register provided the applicant has met the duly set requirements as set in the Local authority's indigent policy and the District Municipality's indigent policy.

7 DURATION OF RELIEF

Indigence relief shall apply for a period not extending beyond the two *financial years* for which the particular household is registered as indigent. Registration must be renewed for every two *financial year* if relief is to continue.

8 RESPONSIBILITIES OF THE INDIGENT SUPPORT APPLICANT/ BENEFICIARY

- 8.1 Should, at the most, 21 days (three weeks) lapse without receiving any feedback regarding the application, the applicant should enquire as to the status of the application through the call centre or customer services office.
- 8.2 The onus shall be on the beneficiary to inform the Municipality of any change in his/her status or personal household circumstances that might affect their Indigent status.
- 8.3 The onus shall be on the account holder to renew registration as an indigent as contemplated in Part 7.

9 VERIFICATION OF STATUS OF BENEFICIARY

- 9.1 Verifications of the status of the beneficiary may be done by a 3rd party as directed by Council.
- 9.2 Indigent beneficiaries may be subjected to verification at any time, disqualification and reinstatement of the account to its state prior to write-off where circumstances on the ground do not tie up with what was presented on the application.
- 9.3 The indigent status of a customer will be reviewed from time to time at intervals as determined by Council. This could be done by either physical audit or external verification checks including amongst others, ITC Credit Bureau, Department of Labour or any other sources of verification. Should the requirements not be met, the subsidy for that consumer will be terminated with immediate effect.
- 9.4 If a registered indigent person of a household is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall:
 - (a) immediately be removed from the register of indigents, and
 - (b) Shall be liable to repay the municipality with immediate effect for all indigent relief received from the date of such fraudulent registration.
 - (c) Such person shall not again be considered for indigent relief for a period extending for 5 years beyond the financial year in which the misdemeanor is detected.

9.5 Indigent relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

10 USAGE IN EXCESS OF THE BASIC SERVICE LEVELS & ARREARS ON INDIGENT ACCOUNTS

10.1 All services used in excess of the basic municipal services level shall be levied at the current scale of tariff and payable on the due date.

10.2 If the excess account is not paid for as and when due, the services shall be restricted to the basic level and the normal credit control and debt collection policy shall be implemented.

10.3 Customers who qualify for equitable share subsidy and who are in arrears, will be placed on the pre-paid metering system.

10.4 A notice will display, upon the first purchase of water, to visit council's Finance Department to make suitable arrangement regarding the arrears.

10.5 The non-payment and arrangement as referred to in clause 10.4 above will be as determined in terms of councils credit control and debt collection policy.

11 WITHDRAWAL OF INDIGENT SUPPORT BY THE MUNICIPALITY

11.1 The Indigent support shall be withdrawn by the Municipality in the event of the beneficiary misusing the system or providing incorrect information.

11.2 In this regard the Municipality shall recover from the recipient the amount of relief furnished including amounts written-off by debiting the beneficiary's account.

11.3 The Municipality shall apply its credit control policy in accordance with the credit control and debt collection policy. (administration fine)

11.4 The Municipality shall institute a criminal charges of fraud against the beneficiary.

11.5 When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigent relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.

11.6 The onus is on each registered indigent to advise the municipal manager, or his nominee, of such failure to comply.

11.7 The relief to indigents may be withdrawn at the discretion of the municipal manager, or his nominee, if: A registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or.

11.8 Any tampering with the installations of the municipality services is detected.

12 EXTENUATING CIRCUMSTANCES

12.1 In the event of death of one of the member of the household, and where the flow has been limited, full flow will be reinstated from the day of death to the day of the funeral after which the flow shall be limited again.

12.2 In the event of 12.1 above is installed with a prepaid meter and is blocked from purchasing, then the municipality shall unblock and release full flow in order for the consumer to purchase water that will be required and thereafter the meter will be blocked from purchasing again.

12.3 In the event of a household member suffering from a sickness requiring excessive usage of water and is under a home based care programme, such a household will be eligible to apply for additional allocation of water, approval of which is subject to the Municipality's conditions.

13 MISCELLANEOUS

13.1 Should any circumstances not covered by this policy regarding the administration of the Indigent Support policy arise, and is urgent, it shall be referred to the Municipal Manager.

14 COMMUNICATION

14.1 From time to time the municipality will endeavor to communicate its policy adequately, so that members of the community are apprised of the existence of such a policy or any amendments that may have been done by Council.

14.2 Structures, processes and or platforms that shall be used to communicate the benefits of the policy shall include:

- a) The Ward Committee
- b) The Ward Councilors
- c) Community meetings
- d) Budget and IDP road shows
- e) Special events
- f) Local media

Any communication issued by the municipality must be coordinated by the Communications Unit or the Municipal Manager or his delegated authority.

15. POLICY ADOPTION

This policy has been considered and approved by the Council of **ILembe District Municipality** in MAY 2015

This policy shall be effective as from 01 July 2015.