



# **INDIGENCY MANAGEMENT POLICY**

**This policy was adopted by the Kamiesberg Local Municipality on the 27  
May 2015 by Resolution Number SRV 06-27/05/2015-2**

## NOTES

1. This is a budget-related policy within the definitions of such policies as provided in Section 1 of the MFMA, and this policy must therefore be reviewed, and revised if necessary, as part of each annual budget process.
2. This policy is part of the municipality's suite of revenue management policies (credit control and debt collection, rates, tariffs) and as the accounting officer (municipal manager) is charged with the responsibility for managing the municipality's revenues, the municipal manager is responsible for the implementation and administration of this policy.
3. As this policy cross-references to the other three revenue management policies it is essential that by-laws be adopted by the council also to give effect to this policy.

## DEFINITIONS

All material technical terms are defined in each appropriate section of the policy.

TABLE OF CONTENTS

	Page
PART 1      OBJECTIVE	3
PART 2      CRITERIA AND PROCESS FOR IDENTIFYING INDIGENTS	3
PART 3      APPLICATION OF THE POLICY	4
PART 4      APPLICATION PROCEDURES	
PART 5      NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT	5
PART 5      REPORTING REQUIREMENTS	6
PART 6      PROMULGATION OF BY-LAWS AND REVIEW OF POLICY	7

## PART 1 OBJECTIVE

Because of the level of unemployment and subsequent 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.

## PART 2 WHO QUALIFIES FOR INDIGENT SUPPORT

Households where verified total gross monthly income of two old age pensions Per Annum, with the discretion of Council, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 2 kl of water per month free of charge, 50 units of electricity and 50% on sanitation.

Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents, shall qualify for the above concessions.

For a household to qualify for subsidies or rebates on the major service charges (see part 3 below), the registered indigent must be the full-time occupant of the property concerned, and if also the owner of the property concerned, may not own any other property, whether in or out of the municipal area.

For a household to qualify for a rebate on rates, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.

Indigency relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent. Registration must be renewed in each registration programme if relief is to continue after year end.

To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies. The municipal manager or any person delegated to do so, 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. Registration will take place on dates and at times and places determined by the council from time to time.

### PART 3 APPLICATION OF THE POLICY

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.

In respect of water, a 100% subsidy of the fixed availability charge and of metered consumption up to 2 kl per household per month will apply; however, if consumption exceeds 2 kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 2 kl. If unmetered water is provided, a 100% subsidy of the fixed availability charge will apply.

In respect of sewerage charges it is 50% subsidized, refuse is 100% subsidized and 50 free units of electricity.

In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value above R30 000.

#### **PART 4: APPLICATION PROCEDURES**

The applicant must produce the following documentation:

1. Written proof of household income or grants for each member of the household
2. The employment status or low income or reduction in income of each member of the household
3. Inability to work of each member of the household
4. All minor members of the household and their certified birth certificate or ID
5. An affidavit (if not employed)
6. Certified identity documents

The above documents should be commissioned by a commissioner of oath and be submitted with the application form to the **Accounting officer**.

Based on the outcome of the **verification process by the Ward Committee and/or Councillor** responsible approval will only be granted to those applicants that meet the criteria as per Part 2 of this policy.

#### **PART 5 NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT**

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 indigence 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.

The onus is on each registered indigent to advise the municipal manager of such failure to comply.

The relief to indigents may be withdrawn at the discretion of the municipal manager or terminated if:

- a registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
- any tampering with the installations of the municipality is detected.
- death of account holder
- upon sale of the property
- When circumstances in the indigent have improved in terms of a gross income exceeding two times the government pension grant.

If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigency relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigency relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanor is detected.

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

## PART 6: INDIGENT HOUSEHOLD ARREARS

Consumers will be liable for all arrears accrued before the commencement of the indigent contract (**Before he/she became an indigent**). Arrangement must be made to pay all outstanding amounts through the signing of the acknowledgement of debt form.

The property owner or accountholder concerned will have to make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time as determined by the municipal manager in terms of the municipality's credit control and debt collection

The subsidy will only be provided subject to the provision that the consumer agrees in writing that the payment of arrears will be maintained at the minimum levels specified as per the above.

No interest shall be calculated on arrears of consumers who are registered as indigents.

## PART 7: INDIGENT REGISTER

The municipality will conduct an audit of the indigent register bi-annually with regard to the information furnished by the applicants and possible changes in status, the usage of allocation and debt collection measures applied.

The register shall contain the following:

1. The names of the indigent debtors receiving indigent support
2. Erf numbers
3. The total household income
4. The number of dependents
5. Indigent service support and rebate offered

## PART 8: REPORTING REQUIREMENTS

The municipal manager shall report on a monthly basis to the mayor and executive committee, for the month concerned and by municipal ward:

- the number of households registered as indigents and a brief explanation of any movements in such numbers;
  - the monetary value of the actual subsidies and rebates granted;
  - the budgeted value of the subsidies and rebates concerned; and
- the above information cumulatively for the financial year to date.

The executive committee shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or more frequently to any ward committees if so requested.

## PART 9: PROMULGATION OF BY-LAWS AND REVIEW OF POLICY

The council shall ensure that by-laws are promulgated to give effect to this policy.

The council shall further review this policy as part of the process of preparing each annual budget, and any amendments to such policy shall be consequentially effected in the by-laws.