**MADIBENG LOCAL MUNICIPALITY**



**DRAFT INDIGENT HOUSEHOLD SUBSIDY POLICY**

**2020/2021 FINANCIAL YEAR**

**PREAMBLE**

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 Madibeng 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);

(1) 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;

(2) AND WHEREAS the key purpose of this Indigent households 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;

(3) AND WHEREAS the Indigent households policy must be maintained for so long as the Municipality is able to, without compromising the financial stability and functioning of the Municipality;

(4) AND WHEREAS it is of importance to set appropriate and sustainable

Threshold levels and subsidies of tariffs for indigent consumers;

(5) 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 households’ policy

**THE MADIBENG LOCAL MUNICIPALITY: INDIGENT HOUSEHOLDS POLICY**

**TABLE OF CONTENTS**

**CHAPTER 1**

**INTRODUCTORY PROVISIONS**

**ITEM NO.**  **PAGE**

1. DEFINITIONS 5

2. ABBREVIATIONS 11

3. AIM AND PURPOSE 12

4. TITLE AND APPLICATION 12

5. COMMENCEMENT AND VALIDITY 12

6. RESPONSIBLE AUTHORITY 13

7. POLICY PRINCIPLES 13

8. POLICY OBJECTIVES 14

9. LEGISLATIVE FRAMEWORK 15

10. POLICIES, STRATEGIES AND GUIDELINES 15

11. FUNDING 16

12. TARGETING OF INDIGENT HOUSEHOLDS 16

13. QUALIFICATION CRITERIA 16

**CHAPTER 2**

**ASSISTANCE PROCEDURES**

**ITEM NO** **PAGE**

14. COMMUNICATION 19

15. INSTITUTIONAL ARRANGEMENTS 20

16. APPLICATION 20

17. ASSESSMENT AND SCREENING APPLICANTS 21

18. RECOMMENDATION 22

20. CONTINUOUS EVALUATION 22

21. RIGHT OF APPEAL 22

**CHAPTER 3**

**INDIGENT SUPPORT**

**ITEM NO.**  **PAGE**

 22 THE EXTENT OF INDIGENT SUPPORT 23

**CHAPTER 4**

**PROCESS MANAGEMENT**

**ITEM NO.**  **PAGE**

 23 VALIDITY PERIOD 26

24 PUBLICATION OF REGISTER OF INDIGENT HOUSEHOLDS 26

25. ARREARS AND EXCESS USAGE OF ALLOCATIONS 26

26. TERMINATION OF INDIGENT SUPPORT 27

27. AUDIT AND REVIEW 28

28. EXIT PROGRAMME 28

**CHAPTER 5**

**MISCELLANEOUS PROVISIONS**

**ITEM NO.**  **PAGE**

29. DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER 30

30. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION 30

31. METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY 30

32. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS 30

33. DEPOSITS 32

34. MONITORING AND REPORTING 32

35. CAPACITY BUILDING 33

36. IMPLEMENTATION AND REVIEW OF THIS POLICY 33

**CHAPTER 1 INTRODUCTORY PROVISIONS**

**1. DEFINITIONS**

NO. WORD/EXPRESSION” 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

1.1 **“annual budget”** Means the budget approved by the Council for any particular financial year, and shall include any adjustments to such a budget.

1.2 **“annually”** Means once every financial year.

1.3 **“applicant”** Means the person applying to the Municipality to be afforded the status of a Registered Indigent in terms of this policy.

1.4 **“basic municipal service”** 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.

.

1.5 **“Chief Financial Officer”** 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 **“child**” Means a minor person.

1.7 **“Constitution”** Means the Constitution of the Republic of South Africa, 108 of 1996.

1.8 **“consumer”** 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 **“Council”**  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 **“Credit Control & Debt Collection Policy” and “Credit Control & Debt Collection By-Law”** 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 **“customer”** 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 the residential property is registered in the name of the deceased parent or deceased parents of that child; or

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

(c) where a deceased estate has not been wound up:

(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

(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

(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

(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; 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 & 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.

1.12 **“equitable share”** 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.

1.13 **“free basic alternative energy**” 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 **“free basic electricity”** Means a limited amount of free electricity deemed necessary to provide basic services as determined and funded by the National Government.

1.15 **“free basic sanitation”** Means the prescribed minimum standard of services rendered to 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 **“free basic water supply”** 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 “**financial year”** Means the period starting from 1 July in any year and ending on 30 June of the following year.

1.18 **“household”** Means the total number of persons who permanently reside in and occupy a single premise for residential purposes.

1.19 **“Indigent Household”** Means a household of the Registered Indigent.

1.20 **“Indigent Management System”** 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 that should be used by the Municipality for the management of the Indigent Register.

1.21 **“Indigent households policy” or “This policy”** Means the Indigent households policy, adopted by the Council of the Municipality.

1.22 **“Indigent Register”** Means a record of the Registered Indigents established and maintained by the Municipality as per the provisions of this policy.

1.23 **“indigent support”** Means the financial and other support, discounts, subsidies and assistance which the Municipality renders to Registered Indigents and households headed by Registered Indigents.

1.24 **“Municipal Finance Management Act” or “MFMA**” Means the Local Government: Municipal Finance Management Act, Act 56 of 2003 and the regulations promulgated in terms of this act.

1.25 **“Municipal Manager”** 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 **“Municipality”** Means the MADIBENG LOCAL MUNICIPALITY, 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 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: 53 VAN VELDEN STREET, BRITS, NORTH WEST PROVINCE, and may, depending on the context, include:

(a) Its successor in title; or

(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

(c) An authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.

1.27 **“Municipal Property Rates Act” or “MPRA”** Means the Local Government: Property Rates Act, Act 6 of 2004 as amended and the regulations promulgated in terms thereof.

1.28 **“municipal service” or “services”** 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:

(a) Such service is provided or to be provided by the Municipality through an internal mechanism Contemplated in section 76; and

(b) Fees, charges or tariffs are levied in respect of such service or not.

1.29 **“municipal tariff” or “Tariff”** 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.

1.30 **“occupier”** 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 **“owner”** Means:

(a) The person in whose name the property is registered;

(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 of appointed representative;

(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;

 (d) In relation to:

(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;

(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;

(e) Any legal entity including but not limited to:

(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;

(ii) Any provincial or national government department, or local authority;

(iii) Any Council or management body established in terms of any legal framework applicable to the Republic of South Africa; and

(iv) Any embassy or other foreign entity in whose name the property is registered;

(f) 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

(g) 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.

1.32 **“premises”** 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 **“pre-payment meter”** Means a meter whereby payments for municipal services is first made before provision of service

1.34 **“Programme Officer”** 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 **“property”** Means:

(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;

(b) A right registered against immovable property in the name of a person excluding a mortgage bond Registered against the property;

(c) Any piece of land, the external surface boundaries of which are delineated on:

(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;

(ii) A sectional plan registered in terms of the

Sectional Titles Act, Act 95 of 1986; which is situated within the area of the Municipality;

(d) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or

(e) Public service infrastructure.

1.36 **“rates”** 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 **“Rates Policy”** 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 **“Registered Indigent”** 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.

1.39 **“service agreement”** 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 customers 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 **“Structures Act”** Means the Local Government: Municipal Structures Act, Act 117 of 1998 and the regulations promulgated in terms thereof.

1.41 **“subsidised services”** Means the municipal services, the costs of which are either subsidised in full or in part by the Municipality.

1.42 **“Systems Act”**  Means the Local Government: Municipal Systems Act, Act 32 of 2000 and the regulations promulgated in terms thereof.

1.43 **“Tariff Policy”** Means the Tariff Policy of the Municipality adopted in terms of the provisions of section 74(1) of the Systems Act.

1.44 **“Tariff Schedule”** 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 **“tenant”** refers to child headed households, in relation to late estate the remaining spouse, state properties awaiting transfer into the name of beneficiaries and **excludes** leases and rental. (In case of late estate includes parents, siblings, children and spouse provided that all do not own any property or receiving subsidy elsewhere, letter of authority must be attached to substantiate the application)

1.46 **“Verification Officer”** 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**

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 2004, as amended

SAPS South African Police Service

ID Identity number

UIF Unemployment Insurance Fund

**3. PURPOSE**

The purpose of this policy is to ensure that the subsidy scheme for indigent households forms part of the financial system of the Municipality and to ensure that the same procedure be followed for each individual case in a fair and equitable manner.

**4. TITLE AND APPLICATION**

(1) This policy is known as the Madibeng Local Municipality Indigent Households Policy and is applicable within the jurisdiction area of Madibeng Local Municipality.

**5. COMMENCEMENT AND VALIDITY**

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

**6. RESPONSIBLE AUTHORITY**

(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**

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 shall 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**

The objectives of this policy are the following:

To ensure that households with low income are not denied a reasonable service, and on the contrary the Local Authority is not financially burdened with non-payment of services: Provided that grants are received and funds are available, the indigent subsidy policy should remain intact.

To achieve this purpose it is important to set a fair threshold level, and then to provide a fair subsidy on tariffs set out in the Council’s Tariff Policy. The consumer, in order to qualify for indigence, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by the Municipality from time to time.

(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 indigence;

(d) 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**

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 as Amended;

(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.

**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**

**13. QUALIFICATION CRITERIA**

(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 relate 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, 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) Grants-in-aid may, within the financial ability of the Municipality, be allocated to owners/occupants or tenants of premises who receive electricity, water and sewerage or refuse removal services from the Municipality, in respect of charges payable to the Municipality for such services.

3.2 Only South African citizens are eligible to register and approved as indigents, No non-nationals shall be allowed to participate in the registration process (unless on production of SA ID)

3.2 These grants may be allocated if such a person or any other occupier of the property concerned can submit proof of no income or a verified total gross monthly income of not more than R4000.00. In the case of remote areas the Chief Financial Officer or delegated official shall approve each case on its merit based on the information received from credible bureaus.

3.3 Only one application per person in respect of one property shall qualify for consideration unless it is two pensioners. A business, body corporate, association, club or governing body shall not qualify for consideration.

3.4 The subsidy will apply to the owner or tenant of the property concerned.

3.5 Tenants to qualify as indigents must produce proof of relationship to the owner of the property from credible sources.

3.6 The subsidy will not apply in respect of households owning more than one property (proof of ownership must be attached), who will therefore not be classified as indigent.

3.7 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, the applicant must:

(a) 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

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

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

(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

(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

(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

(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;

 (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 may be 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 including properties held under Trust provided that the applicants are registered trustees and have provided all required information as may be prescribed to qualify as indigent.

(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 indigence or Registered Indigent status, and may approach any person in order to verify any claim made by an applicant.

Old age SASSA Pensioners once approved need not to re-apply, unless the situation changed for a period of three (3) years.

(2.1) Indigent households in the rural areas already approved shall be regarded as beneficiaries for a period of three financial years from date of approval, subject to annual verification of the information provided

**CHAPTER 2 ASSISTANCE PROCEDURES**

**14. COMMUNICATION**

(1) The Municipality may 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 may 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 newspapers;

(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 shall communicate the following to the community:

(a) What the Municipality is trying to achieve with regard to the Indigent households policy;

(b) How the Municipality will be going about implementing the Indigent households’ 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 households should 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**

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**

(1) A person applying for indigent support must duly complete an official indigent support application form as prescribed by the Municipality.

(2) A prescribed APPLICATION FORM FOR INDIGENT HOUSEHOLD SUBSIDY must be completed by all consumers who wish to qualify in terms of this policy.

(3) The owners/occupants or tenants must apply in person and present but not limited to the following documents upon application:

3.1 Municipal account number

3.2 Electricity meter number

3.3 Identity copy

3.4 Proof of income

3.7 Marriage or death certificate

3.8 Divorce decree

3.9 And any other document that substantiate your status

(4) The VERIFICATION FORM OF INFORMATION SUPPLIED must be completed by an official duly authorised by the Chief Financial Officer, or a municipal agent appointed, for use to audit (verify) the information submitted by applicant(s).

(5) The above mentioned forms must be read in conjunction with this policy and form part of Council’s Indigent households’ policy.

(6) The list of indigent households may be made available at any Time to credible credit bureaus e.g. (ITC) for the purpose of exchanging credit information.

(7) Households qualifying for consumer credit elsewhere will not be regarded as indigents in terms of this policy.

(8) If an application is considered favourably, a subsidy will only be granted during a municipal financial year and the subsequent twelve- (12) month budget cycle.

(9) The onus will rest on the approved account holders to apply for relief on an annual basis.

(10) Since Madibeng Local Municipality is dominated by rural areas, therefore in instances where in access to other facilities such as SAPS, printing and others is a challenge, and relevant supporting documentation cannot be obtained, a valid South African identity copy and proof of income as per the application form of the applicant (s) shall be used to verify affordability to pay for services from credible credit bureaus and the results thereof shall be deemed sufficient proof to consider the application. This information shall be valid for the subsequent financial year for up to a maximum of three years from date of approval.

**17. ASSESSMENT AND SCREENING APPLICANTS**

Upon receiving of a duly completed application form from the applicant, together with the supporting documentation as referred to above, all information shall be verified by a person approved by the Municipality or/and the credit bureau as follows:

(1) Credit bureau (If available)

The information received shall be verified using credit bureaus using the applicants’ identity number and the result thereof shall be the basis for approval.

(2) Manual verification by the Indigent management team

**18. RECOMMENDATION**

Once the verification has been completed, those applicants that qualify for indigent support in accordance with the system are then to be listed in the Indigent register as approved or not.

**19. CONTINUOUS EVALUATION**

The Indigent officials may generate, on an as and when 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 shall evaluate each Indigent Household the same as a new application and any changes in circumstances must be noted and –submit recommendations. 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**

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.

**CHAPTER 3 INDIGENT SUPPORT**

**22. THE EXTENT OF INDIGENT SUPPORT**

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 lightning, 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.

(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

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

(b) 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 based on any indigent records submitted by Eskom, from their own records.

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

(a) 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 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 education in respect of effective water use; and

(ii) a minimum quantity of potable water 6 (six) kilolitres per household per month:

(a) at a minimum flow rate of not less than 10 (ten) litres per minute where applicable;

(b) within 200 metres of a household; and

(c) with an effectiveness such that no consumer is without a supply for more than 7 (seven) full days in any year.

(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. 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 based on the maximum consumption of 6 (six) kilolitres of water per month or an amount as determined and provided for by Council in the Tariff Schedule approved 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.

(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:

 (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.

(b) All Registered Indigents shall be subsidised for the basic levy for refuse removal for one service connection as provided for by Council in the Tariff Schedule as per the approved 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.

(5) Property Rates

(a) Assessment rates and other service charges will be subsidised in full subject to Council’s Property Rates policy and by-law.

(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.

(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**

**23. VALIDITY PERIOD**

(1) 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, may be subjected to scrutiny and occasional inspection to determine any change in status as and when necessary. 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) 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**

(1) Names of Registered Indigents may be open for public perusal and comment.

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

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

(1) No amount shall be paid to any person or body, but shall be transferred as a credit towards the approved account holder’s municipal services’ account in respect of the property concerned.

(2) Arrear amounts on date of approval shall be written off in line with debt write off policy of the municipality.

(3) 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.

(4) 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 may 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.

(5) 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.

(6) Arrear amounts (amount in excess of the subsidy granted) shall not qualify for any assistance and shall not be taken into consideration. Calculations shall be based on the monthly current accounts only and in accordance with the approved tariff policy.

**26. TERMINATION OF INDIGENT SUPPORT**

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**

(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.

(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 officials for verification at any time.

**28. EXIT PROGRAMME**

(1) Registered Indigents and the members of the indigent household headed by that Registered Indigent shall be prepared to participate in exit programmes co-ordinated by the Municipality in collaboration with other government departments and the private sector, provided opportunities exists.

(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 may 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**

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

(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. The Chief Financial Officer will be responsible to compile and administer the database for households registered in terms of this policy.

(4) Renewal of indigent beneficiaries must be done in every three (3) year including rural areas. The new applicants are to submit their application forms to the council throughout the financial during the three years period of first approval.

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

(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**

(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 schedule.

(3) Subsidies, credits and any vouchers shall not be transferable and no unused portion shall carry forward.

(4) Subsidised services may be backdated in case of late capturing by the municipality.

**32. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS**

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**

(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. In a case of change of ownership or illegal occupation of premises prior to application of services, the consumer account will be activated on behalf of the new owners in absence

(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.

**34. MONITORING AND REPORTING**

The Chief Financial Officer shall report quarterly on the status and implementation of indigent support in the Municipality to the Municipal Manager, to enable the Municipal Manager to report to Council and other interested parties.

**35. CAPACITY BUILDING**

The Municipality shall 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**

(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.

**INDIGENT APPLICATION**

**APPLICATION SHALL BE ACCOMPANIED BY:**

* Municipal Account
* Electricity meter number
* Identity copy
* Proof income
* Any other document that substantiate your status

Indicate by marking ‘X’ where applicable

**STAND DETAILS**

Account number

Prepaid meter number

PHYSICAL ADDRESS:

POSTAL ADDRESS:

 NAME: SURNAME:

ID NUMBER:

 DATE OF BIRTH: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 AGE: \_\_\_\_\_\_

Gender Female

Male

Marital Status Single

Married

Widow

Divorced

|  |
| --- |
|  |

|  |
| --- |
|   |

|  |
| --- |
|  |

Employed Unemployed Pensioner

**DETAILS OF MEMBERS IN HOUSEHOLD**

Number of  **OCCUPANTS** in house (People staying with you)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **NAME** | **SURNAME** | **IDENTITY NUMBER** | **RELATIONSHIP** |  **INCOME** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Ward Number

Household (Indicate with X) Owner Tenant

Do you rent part of your stand Yes No

|  |
| --- |
|  |

|  |
| --- |
|  |

Child headed Yes No

**SERVICES**

Do you use conventional Electricity or Prepaid Electricity

Do not have an electricity connection

Do you have a meter for water? Yes No

Do you have regular refuse collection? Yes No

Do you receive an account? Yes No

|  |  |
| --- | --- |
| **FINANCES** |  |
| Indicate the monthly household gross income | R |   |
| How many persons in the household receives grants? (Social, disability,etc.) |  |  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Indicate your Total Income | R | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_ |

I certify that the above mentioned information is true and correct. I fully understand that any incorrect of false information may lead to the cancellation of my grant/application.

**APPLICANT SIGNATURE**

**APPLICANT’S CONTACT NUMBER**

**DATE**

**OFFICE USE**

Indigent Clerk’s signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date Received \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| APPROVED |  |
| NOT APPROVED |  |
| PENDING |  |