



INDIGENT POLICY

Item 31/5

as approved by Council on

30 May 2012

SETSOTO MUNICIPALITY

Indigent policy

1. INTRODUCTION

- 1.1 Due to the level of unemployment and subsequent poverty in the municipal area there are households which are unable to pay their normal municipal services.
- 1.2 This municipality therefore adopts this indigent management policy to ensure that these households have access to at least basic municipal services and it is guided by the Constitution of the Republic of South Africa.
- 1.3 This policy supersedes all financial policy instructions that have previously been issued in respect of this subject matter.

2. PURPOSE

The purpose of the Indigent policy is to:

- 2.1 Ensure the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Setsoto Municipality.
- 2.2 Provide procedures and guidelines for the subsidization of basic services to its indigents, using the Setsoto Municipality's budgetary allocations through the equitable share.

3. CRITERIA FOR QUALIFICATION

- 3.1 In order to qualify for indigent subsidy the following criteria must be met;
 - 3.1.1 The subsidy for a household (occupants of site) that is classified as indigent, i.e. where the verified total gross monthly income of all occupants over the age of 18 years does not exceed the amount as approved in the budget for the applicable year. A Pay slip / or pension slip, sworn affidavit or a bank statement must be provided with the application for a subsidy. Customers will qualify for the subsidy per service as determined by Council on an annual basis in the budget.
 - 3.1.2 The total household income shall exclude the child care grant, foster child grant, and other income which is meant for the child below the age of 18.
 - 3.1.3 Only households where the account holder has applied as indigent and whose application has been accepted, shall qualify for the subsidy and the applicant must be a South African Citizen.

- 3.1.4 Two old age social grant pensioners living in the same household qualifies for the subsidy although the combined income exceeds the indigent amount as determined in the annual budget.
- 3.1.5 Temporary sick pensioners and old age pensioner's medical expenses shall be excluded for the purpose of calculating the gross income for the household in terms of section 3.1.1. and the onus shall be on the applicant to provide proof of medical expenses.
- 3.1.6 In the case of the registered indigent owner/consumer being deceased, the dependants under the age of 18 years shall qualify for the indigent subsidy provided they have the necessary documents (i.e. death certificates of the owner, the latest municipal account birth certificates) subject to paragraph 3.1.1.
- 3.1.7 Registered indigent consumers who own more than one property within or outside the municipality area, will only qualify for a subsidy on one site.
- 3.1.8 The subsidy is for the payment of basic charges on sewerage, water, refuse, electricity and property rates (tax) with the provision that the subsidy cannot be guaranteed up front as it will be funded with a grant from the national government to the municipality (equitable share). Therefore, should no grant be received from the national government, no consumer will be receive a subsidy in part or in whole in respect of any services.

4. APPLICATION FOR REGISTRATION

- 4.1 When applying for the subsidy, the indigent application form should be completed and signed.
- 4.2 Any application in terms of subsection 4.1, must be accompanied by:
 - 4.2.1 Documentary proof of income, such as letter from an employer, a salary advice, latest bank statement or a pension slip,
 - 4.2.2 An affidavit declaring the income or that he/she is unemployed and stating any income that he/she may have despite being unemployed,
 - 4.2.3 The customer's latest municipal account,
 - 4.2.4 A copy of the customer's identity document [Please Note South African citizenship.

5. APPROVAL OF APPLICATION

- 5.1 The municipality may, prior to approval, send representatives to premises or to consumers applying for the subsidy, to investigate whether the information of an application is correct.
- 5.2 An indigent customer must annually, before the end of the municipal financial year (30 June), re-apply for re-registration as an indigent customer for the forthcoming financial year, failing which the approved assistance will cease automatically. A customer can qualify to be registered during a financial year.
- 5.3 Disqualification as a result of fraud or non disclosure of facts will make the account holder liable for the immediate payment of all benefits received and he/she may be prosecuted.
- 5.4 The municipality shall make available the indigent list for each ward, which shall indicate the subsidy amount and such information shall be available during office hours at the municipal offices.

6. SUBSIDISED SERVICES FOR INDIGENT CUSTOMERS

- 6.1 The municipal council may annually as part of its budgetary process, determine the municipal services and levels of municipal services that will be subsidized in respect of indigent customers, subject to the principle of sustainability and affordability.
- 6.2 The municipality shall on a determination in terms of subsection 6.1, give public notice during its budget process, of the determination,
- 6.3 Public notice in terms of subsection 6.2, must contain at least the following:
 - 6.3.1 The level or quantity of municipal service that will be subsidized,
 - 6.3.2 The level of subsidy,
 - 6.3.3 The method of calculating the subsidy,
 - 6.3.4 Any special terms and conditions that will apply to the subsidy, not provided for in this policy.

7. EXISTING ARREARS OF INDIGENT CUSTOMERS ON APPROVAL OF APPLICATION

- 7.1 Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customer will be written off against the provision for bad debts.
- 7.2 Change of consumer accounts can be done from one indigent to another. In the event whereby the owner is deceased, the letter of authority must be attached together with the indigent form.

8. AUDITS

- 8.1 The municipality may, subject to the provisions of any right to privacy and secrecy recognized by any law, undertake regular random audit to:
 - 8.1.1 Verify the information provided by indigent customer,
 - 8.1.2 Record any charges in the circumstances of an indigent customer and
 - 8.1.3 Make recommendations on the de-registration of an indigent customer.

9. EXCLUSIONS

- 9.1 Non South Africans are excluded from participating in the indigent support scheme. (Note citizenship as South African in ID Book)
- 9.2 The income of a minor child or a person who is younger than 18 years of age is excluded from the calculation of a gross income in terms of section 3.1.1.