



INDIGENT POLICY

This policy was amended by Mkhondo Local Municipality for 2024/25 in terms of section 96(1) (a) of the Municipal Financial Management Act, 2003 (Act No. 56 of 2003)

<u>INDEX</u>	<u>PAGE NO</u>
PART 1 OBJECTIVE	1
PART 2 CRITERIA AND PROCESS FOR IDENTIFYING INDIGENTS	1
PART 3 APPLICATION OF THE POLICY	3
PART 4 SCREENING COMMITTEE	4
PART 5 GENERAL UNDERSTANDING	4
PART 6 NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT	5
PART 7 REPORTING REQUIREMENTS	6

PART 1: OBJECTIVE

1.1. 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 indigent 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

2.1 Households where verified total gross monthly income of all occupants over 18 years of age (**Excluding social, foster care, disability and child grants**) does not exceed **R5 000** or such other amount as the council may from time to time determine, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6 kl of water per month and 50 kWh of electricity per month free of charge.

2.2. Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration program me, 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. Such property/properties may not be used for business purposes

2.3 Indigence 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.

2.4 To register as an indigent, the relevant property owner or account holder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies.

2.5 The municipal manager 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. Pensioners and disability beneficiaries need not re-apply for the support. Applications are open throughout the year but applications received after June of Each year will receive indigent support starting from the month of application.

2.6 The following criteria will also apply for indigent qualification:

2.6.1 Consumers to complete a consumer agreement with council.

2.6.2 Must have no other income resources

2.6.3 Must be approved by screening committee.

2.7. ESTATE INDIGENT

2.7.1. If an occupier of a child-headed household where the property is registered in the name of the deceased parent or deceased parents.

2.7.2. Where a deceased estate has not been wound up a letter of authority is needed.

2.7.3. In the case of a deceased estate, in whose name the property is registered, any heir to whom the registered property has been bequeathed a letter of authority is needed.

2.7.4. Where a letter of authority cannot be obtained due to family feuds or as a result of the unavailability of some of the family members, such applicants must be referred to the screening committee for a resolution and/or completion of the Special Indigent Approval form.

2.7.5. Where the surviving spouse was married in community of property to the deceased, and where the property is registered in both spouse's names and the surviving spouse is the sole heir.

2.7.6. A surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the property is registered in the name of that deceased.

2.7.7. If it is established on a balance of probabilities that the adult person(s) who previously occupied premises together with children – (a) (i) is dead and that her/his heir(s) is a child, the council may write the debt owing in respect of services supplied to the premises and rates off as irrecoverable; (ii) on receipt of a report from the authority responsible for child welfare, declare the child-headed household indigent.

2.7.8. Debt write-off for indigent households may occur every Twelve (12) months, subject to re-verification of indigent status.

PART 3: APPLICATION OF THE POLICY

3.1. 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.

3.2. In respect of water, a 100% subsidy up to 6 kl per household per month will apply; however, if consumption exceeds 6 kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6 kl.

3.3. In respect of electricity, a 100% subsidy up to 50 kWh per household per month will apply; however, if consumption exceeds 50 kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 50 kWh.

3.4. In respect of sewerage, refuse removal, basic electricity and basic water charges for household, the relief granted shall be as determined by council as part of each annual budget, for the monthly amount billed for the service concerned will be allowed

3.5. In respect of property rates, the municipality has resolved to grant a rebate of 100% to an indigent person.

PART 4: SCREENING COMMITTEE

4.1. Composition

(a) The screening committee will consist of the following people:

- I). Two Councilors' of which one should be the ward councilor where applicable
- II). The Municipal Manager or delegate
- III). Chief financial officer or delegate
- IV). Social Worker

PART 5: GENERAL UNDERSTANDING

5.1. Council can only adhere to the scheme if the equitable share is available.

5.2. This policy must not be rigid but can be reviewed by Council as and when necessary as to keep the process flexible,

5.3. That no indigent account be allowed to accumulate a credit due to indigent service subsidy.

5.4. No application without a sworn or declared affidavit is approved, as far as unemployment, income and/or disability is concerned.

5.5. A copy of identification must be submitted.

5.6. Proof of income must also be given / submitted.

5.7 A letter of authority or a sworn affidavit in the case of deceased estates must be submitted.

5.8 A letter of guardianship in the case of the applicant not being the owner and the occupant of the property concerned.

PART 6: NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

6.1. 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.

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

6.3. 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 or accountholder 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 and debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection policy.

6.4. The relief to indigents may be withdrawn at the discretion of the municipal manager if:

- a) a registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
- b) Any tampering with the installations of the municipality is detected.

6.5. 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 indigence relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigence relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanor is detected.

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

6.7. Indigence relief will not have the effect that the account of such registered indigent will result in a credit balance.

PART 7: REPORTING REQUIREMENTS

7.1. The municipal manager shall report on a monthly basis to the Executive Mayor or Mayoral Committee, as the case may be, for the month concerned and by municipal ward:

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

7.2. The Executive Mayor or Mayoral Committee, as the case may be, shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or monthly frequently to any ward committees if so requested.

8. Effective Date: 01st July 2024