



INDIGENT SUPPORT POLICY

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1. DEFINITIONS AND ABBREVIATIONS

“Child headed household” means a household where both parents are deceased and where all occupants of property are children of the deceased and are all under the legal age to contract for service and are considered as minors in law by the state;

“Household” means as a registered owner or tenant with children who reside on the same premises;

“Indigent” means any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times the Government pension grant as prescribed by the National Department of Social Development or in line with the National Indigence Framework issued by the Department Local Government (DLG), who qualify, according to the policy, for rebates/remissions, support or a services subsidy. Examples hereof include pensioners, the unemployed and child-headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts.

“Indigent Management System” an electronic management system used by Amahlathi Municipality for the management of the register of indigent households.

“Municipality” means the municipality of Amahlathi, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, Councilor, duly authorized agent or any employee acting in connection with this policy by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, Councilor, agent or employee;

“Occupier” means the person who controls and resides on or controls and otherwise uses immovable property, provided that:-
[a] the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
[b] where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;

“Owner”, in relation to immovable property, means:-

[a] the person in whom is vested the legal title thereto provided that:-

- [i] the lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof; and
- [ii] the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;
- [b] if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- [c] if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- [d] if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

“Premises” includes any piece of land, the external surface boundaries of which are delineated on:-

- [a] a general plan or diagram registered in terms of the Land Survey Act, 1997 [Act No. 8 of 1997] or in terms of the Deeds Registries Act, 1937 [Act No. 47 of 1937];
- [b] a general plan registered in terms of the Sectional Titles Act, 1986 [Act No. 95 of 1986], and situated within the jurisdiction of the municipality;

“Programme Officer” 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.

“Rates” means any tax, duty or levy imposed on property by the Council;

2. INTRODUCTION

As a developmental institution, the municipality needs to commit to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidisation of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

As per the Census 2022, Amahlathi Local Municipality total population has increased from 101 035 (2011) to 115 703 in 2022. This increase in population can be attributed to improved life expectancy, such as access to health facilities, job opportunities, improved safety in working environments, as well as the availability of services to the population residing in Amahlathi municipality. The other contributing factor is the result of inward migration, from other areas outside the jurisdiction of the local municipality. In 2016, Amahlathi employed 26 100 people which is 18.55% of the total employment in Amatole District Municipality (141 000). Employment within Amahlathi increased annually at an average rate of 0.53% from 2006 to 2016. The Amahlathi Local Municipality average annual employment growth rate of 0.53% exceeds the average annual labor force growth rate of -0.64% resulting in unemployment decreasing from 32.15% in 2006 to 29.89% in 2016 in the local municipality.

3. POLICY PRINCIPLES

It is against the above background that the municipality undertakes to promote the following principles:

- 3.1 To ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- 3.2 To link this policy with the municipality's IDP, local economic development (LED) initiatives and poverty alleviation programmes;
- 3.3 To promote an integrated approach to free basic service delivery; and
- 3.4 To engage the community in the development and implementation of this policy;

4. POLICY OBJECTIVES

In support of the above principles the objective of this policy will be to ensure the following:

- 4.1 The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- 4.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;

- 4.3 Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- 4.4 The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and
- 4.5 Co-operative governance with other spheres of government.
- 4.6 The policy is aligned with the COGTA guidelines.

5. THE LEGISLATIVE FRAMEWORK

This policy is designed and implemented within the framework of the following legislation:

- The Constitution of the RSA, 1996;
- The Municipal Systems Act, 2000 (Act 32 of 2000);
- The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- The Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- The Property Rates Act, 2004 (Act 6 of 2004).

6. QUALIFICATION CRITERIA

Qualification criteria for indigent support and the municipal services qualifying for such support shall be determined by the municipality from time to time, provided that until the municipality determines otherwise, the following criteria shall apply:

- 6.1 The applicant must be a resident of the municipality;
- 6.2 The applicant must be in possession of a valid South African identity document;
- 6.3 The combined or joint gross income of all occupants or dependents in a single household which receives services from the municipality does not exceed two times the government pension grant;
- 6.4 When considering total household income child grant should be excluded.
- 6.5 In order to qualify as indigent the total household income must be R3000 and below.
- 6.6 The applicant must be the owner who receives municipal services and is registered as an account holder on the municipal financial system. If not registered in the financial system, then the applicant should have a confirmation letter of residence from the ward councilor.
- 6.7 Any occupant or resident of the single household referred to above does not own any property in addition to the property in respect of which indigent support is provided; and
- 6.8 The account of a deceased estate, may be subsidised if the surviving spouse or dependents of the deceased, who occupy the property, applies for assistance.

7. ASSISTANCE PROCEDURES

7.1 Communication

The municipality will develop a communication strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and its implementation. Regular information dissemination through ward committees, community based organisations and face-to-face contact by means of imbizo's will be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general.

7.2 Application/Registration

- A person applying for assistance must complete a formal indigent support application form approved by the municipality. Such forms will be available at approved registration points provided by the municipality;
- Applications must be accompanied by the following:
 - A copy of the applicant's identity document;
 - The latest municipal account or proof of residence
 - Documentary proof of income, or an affidavit declaring lack of income and/or proof of registration as unemployed, plus bank statements/SASSA statement (where applicable);
 - Particulars of any other grants received by the account holder;
 - Proof of ownership of business or second properties.
- The applicant must consent to the installation of any form of pre-paid meters as a system to limit the consumption of services and to abate the accumulation of debt;
- As part of the application, the applicant must be willing to give consent for external scans and credit bureau checks;
- If the application is approved, the assistance and support given will be valid for a period of 24 months without guarantee of renewal. The onus remains on the applicant to re-apply for assistance every second year, failing which will render the assistance invalid.
- The period to re-apply for indigent must be 2 years.

7.3 Assessment & Screening of Applicants

After the application/registration process all information must be verified by the Programme Officer (Chief Debtors Clerk) or a person approved by the municipality as follows:

7.3.1 Indigent Management System Check

The information on the municipality's Indigent Management System must be checked to determine whether an applicant is already registered within the system as well as to determine dates when these existing applicants should be reviewed.

7.3.2 Data Capture

The indigent registration data must then be captured in an Indigent Management System as per the application form.

7.3.3 Verification – Site Visit

The Indigent Management System must assign an application to a duly appointed official to perform an on-site verification if necessary. The Programme Officer (Chief Debtors Clerk) must then verify and assess the registration application, and may make recommendations for the acceptance of the application, or for further investigation which may include an external scan.

7.3.4 Verification – External Scans

An external scan of applicants recommended as suitable candidates for indigent support, may be conducted with UIF, SARS, Department of Welfare, or Credit Bureau after the site visitation has been captured.

The information gathered through verification in terms of 7.3.3 and 7.3.4 must be entered into the Indigent Management System within 72 (seventy two) hours after receipt thereof for finalisation of the application.

7.4 Recommendation

Once the verification has been completed the Indigent Management System must generate a recommendation based on the information captured in the database. Those applications that qualify for indigent support in accordance with the system are then to be referred to the Indigent Committee for final approval.

7.5 Indigent Committee

- An Indigent Committee comprising of designated officials and councilors, preferably ward councilors, must be established for the purpose of consideration and finalisation of applications received;
- The Indigent Committee must meet regularly, but at least once per quarter;
- The Indigent Committee must consider each recommended application, assess it in terms of the application and any other knowledge or information which members may have in respect of the applicant.
- The Indigent Committee must monitor, in conjunction with ward councillors, ward committees and other persons or organisations it may appoint, the implementation of the indigent support programme, subject to the policy directions of the municipality and in consultation with the municipal manager;

7.6 Right of appeal

An applicant who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal with the Municipal Manager of the municipality within 10 (ten) days from the date on which the decision was communicated to the applicant.

7.7 Method or approach used to identify indigents

The municipality's targeting method/approach used is a Means Testing to ensure that impoverished households are the ones benefitting.

8. EXTENT OF INDIGENT ASSISTANCE AND SUPPORT

The extent of the monthly indigent support granted to indigent households will be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year. Within the above framework, the following assistance and support will be granted:

8.1 Electricity

Each registered indigent household shall receive electricity fully subsidised to a maximum of 50 kWh per month.

8.2 Refuse removal

Each registered indigent household shall be fully subsidised for refuse removal as provided for in the annual budget.

8.3 Property Rates

Each registered indigent household shall be fully subsidised for property rates as provided for in the annual budget

8.4 Basic Energy

Indigent households in informal settlements where limited or no electricity is available, may be provided with alternative energy sources including, but not limited to: paraffin, fire gel, liquefied petroleum gas, etc., provided that procurement of service providers or services shall be subjected to the Supply Chain Management regulations of the municipality.

8.5 Short-term assistance

An indigent person in incidental distress may be assisted for a shorter period not exceeding six months. Incidental distress will mean a person that is:

- Temporarily unemployed.
- Persons who are hospitalised.

Such persons qualify for assistance if they are not in receipt of any assistance from any other source.

Indigent people falling within this category will be re-assessed on a three monthly basis.

9. INDIGENT HOUSEHOLDS IN BODIES CORPORATE AND RETIREMENT CENTRES

Indigent consumers living in bodies corporate or retirement centres shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:-

9.1 The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect property rates and related charges.

9.2 The representative of the Body Corporate or Retirement Centre, will submit applications to the Municipal Manager which applications must be accompanied by a certified copy of the Sectional Title Plan of the Body Corporate or Retirement Centre, which indicates the participation quota for each unit, as registered in the Deeds Office.

9.3 The Programme Officer (Chief Debtors Clerk) must verify all applications and after consideration by the Indigent Committee he or she must notify:

- The unit owner whether an application was successful or not, with regard to the property rates and other related charges.

9.5 The Chief Financial Officer will credit the monthly municipal:-

- General rates and refuse charges account of the unit owner with the full amount charged.

10. PROCESS MANAGEMENT

10.1 Validity period

Validity period of assistance will be for a maximum period of 24 months. Households must re-apply every 24 months.

10.2 Death of Registered Applicant

In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met e.g. proof of being beneficiary, death certificate and copy of deceased ID.

10.3 Publication of Register of Indigent Households

Names of indigent beneficiaries must be open for public perusal and comment. Written objections from the public must be referred to the Programme Officer (Chief Debtors Clerk) who will be responsible for investigating the validity of the complaint and referral to the Indigent Committee for appropriate action.

10.4 Excess Usage of Allocation

If the level of consumption of the indigent household exceeds the consumption level approved by the municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Such accounts will be subject to the municipality's credit control and debt collection measures.

10.5 Termination of Indigent Support

Indigent Support will be terminated under the following circumstances:-

- Death of account-holder;
- End of the 24 months cycle, except in the case of pensioners and child-headed households;
- Upon sale of the property;

- When circumstances in the indigent household have improved in terms of a gross income exceeding two times the government pension grant.
- If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:-
 - All arrears will become payable immediately; (reverse all subsidy amounts and debit full amount)
 - Arrangements can be made for settlement.
 - the municipality may open a case with South African Police Service against the perpetrator.
- Stringent credit control measures will apply; and
- The applicant will not be eligible to apply for indigent support for a period of 2 years.

10.6 Audit and review

The municipality will conduct an audit of the indigent register on a quarterly basis with regard to the information furnished by applicants and possible changes in status, the usage of allocations and debt collection measures applied.

10.7 Exit Programme

Members of households registered as indigent should be prepared to participate in exit programmes coordinated by the municipality in collaboration with other government departments and the private sector.

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.

11. MONITORING AND REPORTING

The Municipal Manager shall report quarterly to Council and other interested parties. Such report shall reflect on:

- Number of indigent households applied;
- Amount of subsidy allocated per service category;
- Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);
- Performance of all areas against targets set in the municipality's performance management system.
- Changes in the registered status of indigents.
- New municipal staff must be checked on the system, if they were previously indigent, the status must then be update.

ADOPTION AND APPROVAL OF THE POLICY BY COUNCIL

This policy is adopted and approved by Amahlathi Local Municipality Council for implementation

Effective from (Date) _____

Approved by Resolution Number _____ on this the ____ day of _____ 20 _____

Signed this the _____ day of _____ 20 _____. Signed this the _____
day of _____ 20 _____.

MUNICIPAL MANAGER

DATE

COUNCIL SPEAKER

DATE