

RATLOU LOCAL MUNICIPALITY



INDIGENT SUPPORT POLICY

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INDIGENT SUPPORT POLICY

1. PURPOSE OF THE POLICY

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.

2. CRITERIA FOR INDIGENTS TO QUALIFY FOR INDIGENT SUPPORT

- 2.1 Grants-in-aid may, within the financial ability of the Municipality, be allocated to owners 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.
- 2.2 These grants may be allocated if such a person or any other occupier of the property concerned can submit proof or declare under oath that all occupants over 18 years of age had no income or a verified total gross monthly income of less than R1,100 for the preceding three consecutive months.
- 2.3 Only one application per person in respect of one property shall qualify for consideration. A business, body, association, club or governing body shall not qualify for consideration.
- 2.4 The subsidy will apply to the owner or tenant of the property concerned.
- 2.5 The subsidy will not apply in respect of households owning more than one property, who will therefore not be classified as indigent.

3. APPLICATION AND AUDIT FORM

- 3.1 The APPLICATION FORM FOR INDIGENT HOUSEHOLD SUBSIDY must be completed by all consumers who wish to qualify in terms of this policy.
- 3.2 The account holder must apply in person and must present the following documents upon application:
 - 3.2.1 The latest municipal account in his/her possession;'

- 3.2.2 The account holder's identity document;
- 3.2.3 An application form indicating the names and identity numbers of all occupants/residents over the age of 18 years, who reside at the property; and
- 3.2.4 Documentary proof of income where possible.

- 3.3 The VERIFICATION FORM OF INFORMATION SUPPLIED must be completed by an official duly authorised by the Chief Financial Officer, or a municipal agent appointed by Council, which is to be used to audit (verify) the information submitted by applicants.

- 3.4 The relevant Ward Councillor must be involved during the evaluation process and must verify the application together with the relevant officials.

- 3.5 The above forms must be read in conjunction with the policy and forms part of Council's indigent policy.

- 3.6 The list of indigent households may be made available at any time to the Information Trust Corporation (ITC) for the purpose of exchanging credit information. Households qualifying for consumer credit elsewhere will not be regarded as indigents.

- 3.7 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.

- 3.8 The onus will rest on the approved account holders to apply for relief on an annual basis.

4. COMPILATION AND MAINTENANCE OF AN INDIGENT REGISTER

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

- 4.2 The Municipality reserves the right to send officials or its agents to premises/households receiving relief from time to time for the purpose of conducting an on-site audit of the details supplied.

5. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

- 5.1 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.

- 5.2 Any person who supplies false information will be disqualified from further participation in the subsidy scheme. He/she will also be liable for the immediate repayment of all subsidies received, and the institution of criminal proceedings, as the Municipality may deem fit.

- 5.3 The onus also rests on indigent support recipients to immediately notify Council of any changes in their indigence status.

6. SERVICES TO BE SUBSIDISED

6.1 Water Services

A subsidy of six (6) kilolitres of water per household per month, subject to the provision that the subsidy will only apply where the consumer agrees in writing that the supply of water to the applicable premises may be restricted by a flow control washer (restriction washer) being inserted in the water meter. The six (6) kilolitres of water is currently supplied to all residential consumers free of charge, as per Council policy, and do not represent an additional six (6) kilolitres.

6.2 Electricity Services

A subsidy of 50 kWh electricity per household per month will be allocated to an indigent household who is eligible thereto in terms of the Electricity Basic Services Support Tariff (EBSST) as published in Government Gazette No. 25088 of 04 July 2003.

6.3 Refuse Removal Services

A subsidy, determined at the beginning of every financial year and equal to the ordinary tariff for weekly household refuse removals, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

6.4 Sewerage Services

A subsidy, determined at the beginning of every financial year, will be applied for the duration of that particular financial year equal to the monthly household charge for sewerage availability. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

6.5 Assessment Rates And Other Service Charges

Assessment rates and other service charges will be subsidised in full subject to the maximum of the balance left after the subsidy for the Water, Electricity, Sewerage and Refuse services have been subtracted from the maximum subsidy.

6.6 Maximum Subsidy

The total subsidy allocated to an indigent household will be subject to the maximum subsidy monthly amount as determined annually by Council (currently R..... per household per month) and will be published as part of the annual tariffs as set by the Council.

7. TARIFF POLICY IN RELATION TO INDIGENT HOUSEHOLDS

- 7.1 The Municipal Systems Act, Act No. 32 of 2000 stipulates that a Municipal Council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements and which complies with the provisions of the Act and with any other applicable legislation.
- 7.1 A tariff policy must reflect, amongst others, at least the following principles, namely that:
- 7.1.1 The amount individual users pay for their services should generally be in proportion to their use of that service;
- 7.1.2 Poor households must have access to at least basic services through-
- 7.1.2.1 tariffs that cover only operating and maintenance costs;
- 7.1.2.2 special tariffs or life-line tariffs for low levels of use or consumption of services or for basic levels of service; or
- 7.1.2.3 any other direct or indirect method of subsidisation of tariffs for poor households; and
- 7.1.2.4 The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

8. SOURCES OF FUNDING

- 8.1 The amount of subsidisation will be limited to the amount of the equitable share received on an annual basis. This amount may be varied on a yearly basis according to the new allocation for a particular financial year.
- 8.2 If approved as part of the tariff policy the amount of subsidisation may be increased through cross subsidisation, i.e. a step tariff system.

9. METHOD OF TRANSFERENCE AND THE VALUE OF THE SUBSIDY

- 9.1 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.
- 19.2 Arrear amounts 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.

10. ARREAR ACCOUNTS

- 10.1 The approved account holder shall remain responsible for any outstanding amount at the date of application as well as for future charges.
- 10.2 The arrears on the accounts of households, approved as indigent, will be suspended until such time as the status of the approved account holder has changed. No interest shall accrue on arrear amounts from the date of suspension and account holders must sign an acknowledgment of debt in respect of arrears so suspended.

11. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS

If an application is approved, services will be restored free of charge. If services are to be suspended thereafter in terms of the approved credit control policy, the approved tariff will be payable in full.

12. SERVICES IN EXTENT TO AVAILABLE FUNDING

Where restriction of consumption applies to a particular service, applicants may not refuse to be restricted in terms of Council policy. Where restrictions are not possible the account holder will be responsible for the consumption in excess of the approved subsidy.

13. CREDIT CONTROL POLICY TO BE APPLIED FOR INDIGENT HOUSEHOLDS

13.1 Aims of The Policy

The credit control policy aims to achieve the following:

- 13.1.1 To distinguish between those who can and those who genuinely cannot pay for services;
- 13.1.2 To encourage those who cannot pay to register with the municipality so that they may receive subsidies;
- 13.1.3 To enable the municipality to determine and identify defaulters to ensure appropriate credit control procedures are in place;
- 13.1.4 To establish an indigency directory of all persons who complies with the policy.

13.2 Obligation To Pay

- 13.2.1 The policy on provision of services should endeavour to provide services in accordance with the amount available for subsidisation.

- 13.2.2 It is however important to note that the subsidy received may not cover the full account. In such event the consumer is still responsible for the balance between the full account and the subsidy received.

- 13.2.3 Where applicable, credit control measures must still be applied, in accordance with the approved credit control policy, for such outstanding amounts.

MISCELLANEOUS

1. REVIEWAL OF POLICY

This policy will be reviewed annually before September of the year preceding the new financial year and be amended, if necessary.

2. NAME OF POLICY

This policy will be known as Indigent support policy

ANNEXURES

A: Application For Indigent Subsidy

<p>APPLICATION FORM FOR INDIGENT HOUSEHOLD SUBSIDY</p> <p>Account No: <input style="width: 150px; height: 20px;" type="text"/></p> <p>The following documents must be presented upon application:</p> <ol style="list-style-type: none"> a. Latest Municipal Account b. Copies of ID documents of applicant and all occupants / residents over the age of 18 years who reside at the property. c. Documentary proof of income where applicable. <p>APPLICATION FOR INDIGENT HOUSEHOLD SUBSIDY</p> <ol style="list-style-type: none"> 1. In an effort to assist the needy population ofMunicipality in the payment of Municipal services the Council ofMunicipality has agreed to a subsidy scheme whereby households earning less than R1 100,00 per month would have certain services fully or partly subsidised. 2. Please read the back of this form to see if you qualify and what documents / items you are required to produce and submit with this application. If you feel that you do qualify you must complete the details of all occupants over the age of 18 years old on date of this application together with their respective gross monthly incomes in the space below. 	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <th colspan="2" style="text-align: center;">Official Use</th> </tr> <tr> <td style="width: 50%;">Wyk/Ward No</td> <td style="width: 50%;">Erf/Site No.</td> </tr> </table> <p>Signature Ward Councillor:</p> <p>Die volgende dokumentasie moet saam met die aansoek ingedien word:</p> <ol style="list-style-type: none"> a. Nuutste Munisipale Rekening. b. Afskrifte van ID dokumente van aansoeker en alle inwoners van die perseel bo die ouderdom van 18 jaar. c. Dokumentêre bewys van inkomste waar van toepassing. <p>AANSOEK OM SUBSIDIE VIR BEHOEFTIGE HUISHOUDINGS</p> <ol style="list-style-type: none"> 1. In 'n poging om die behoeftige inwoners vanMunicipality by te staan met die betaling van munisipale dienste het die Raad vanMunicipality toegestem tot 'n subsidieskema in terme waarvan sekere huishoudings waar die gekombineerde bruto inkomste van alle bewoners van die perseel nie R1 100,00 per maand oorskry nie vir sekere dienste ten volle of gedeeltelik gesubsideer kan word. 2. Lees asseblief die agterkant van hierdie vorm om vas te stel of u kwalifiseer al dan nie en ook om te bepaal watter dokumentasie / vorms benodig word vir voorlegging tesame met hierdie aansoek. Indien u van mening is dat u kwalifiseer moet die besonderhede van alle bewoners oor die ouderdom van 18 jaar soos met datum van hierdie aansoek asook hul onderskeie bruto maandelikse inkomste in die ruimte hieronder ingevul word. 	Official Use		Wyk/Ward No	Erf/Site No.
Official Use					
Wyk/Ward No	Erf/Site No.				

PERSONAL PARTICULARS OF ALL OCCUPANTS OVER 18 YEARS LIVING AT THE HOUSEHOLD

	ID	INITIALS	SURNAME	EMPLOYED	EMPLOYER	GROSS MONTHLY INCOME	SOURCE OF INCOME
1							
2							
3							
4							
5							

6							
7							

DECLARATION OF APPLICANT

I, the undersigned who resides at the address indicated above hereby apply for the Household Indigence Subsidy determined in relation to the income indicated above, and solely declare that:

- a. All particulars furnished in this form, including the total gross income of myself and all occupants of the premises are to the best of my knowledge and belief, true and correct;
- b. If the particulars furnished in this form should change for any reason, I will immediately notify the Council;
- c. I am aware that the information supplied in this form by me will be made available by the Council to the Credit Bureau;
- d. I or any other occupant do not own any other property in the Republic of South Africa apart from the property indicated on the account for which this application was made;
- e. I agree that the Council officials may conduct an on-site audit to verify the information supplied in this declaration;
- f. I am aware that any false declaration on this form, is punishable by law and will result in disqualification of the subsidy;
- g. I agree that the supply of water to my premises may be restricted by a flow-control washer and/or any other method Council may deem fit; and
- h. I hereby acknowledge that the amount in respect of the arrears as at (together with interest accrued at the Standard Interest Rate) on account number indicated above remains payable by me.

.....
FULL NAME OF APPLICANT
VOLLE NAME VAN APPLIKANT

VERKLARING DEUR DIE AANSOEKER

Ek die ondergetekende, woonagtig by die adres hierbo aangedui, doen hiermee aansoek om die Subsidie vir Behoeftige Huishoudings, soos van toepassing op die inkomste hierbo aangedui en verklaar plegtig dat:

- a. Alle besonderhede verskaf op hierdie vorm insluitend die totale bruto inkomste van myself en alle bewoners van die persel, waar en juis is;
- b. Indien die besonderhede op hierdie vorm verskaf om enige rede sou verander, ek die Raad onmiddellik sal verwittig;
- c. Ek bewus is daarvan dat die inligting soos deur my verskaf deur die Raad aan die kredietburo beskikbaar gestel sal word;
- d. Ek of enige ander inwoner nie enige ander eiendom in die Republiek van SA besit afgesien van die eiendom aangetoon op die rekening ten opsigte waarvan hierdfie aansoek ingedien word nie;
- e. Ek daartoe toestem dat amptenare van die Raad 'n terplaatsse oudit mag doe nom die inligting verskaf te verifieer;
- f. Ek bewus is daarvan dat enige valse verklaring op hierdie vorm wetlik strafbaar is en my onmiddellik sal diskwalifiseer vir deelname aan die subsidie;
- g. Ek daartoe toestem dat die voorsiening van water na my perseel beperk mag word deur 'n vloeikontrolewatter en/of enige ander metode wat die Raad mag goedgevind; en
- h. Ek erken dat die agterstallige bedrag op bogenoemde rekening soos op (tesame met rente teen die Standaard Rentekoers) deur my verskuldig bly.

.....
DATE
DATUM

.....
PLACE
PLEK

.....
SIGNATURE/THUMB PRINT OF THE APPLICANT
HANDTEKENING/DUIMAFDRUK VAN APPLIKANT

FOR OFFICE USE ONLY	
<u>Council Attesting Official</u>	
The consequence of the above declaration made by the applicant was explained to him/her and he/she indicated that:	
a. The contents of the declaration was understood, and	
b. That if found to be untrue, he/she would automatically be disqualified from receiving any subsidy. He/She will be liable for the immediate repayment of any subsidy received and may have criminal proceedings instituted against him/her as Council may deem it.	
c. All required documentation has been submitted.	
(Full Name	(Signature)
Department of	
Ex Officio Commissioner of Oaths of SA	

APPENDIX B

.....LOCAL MUNICIPALITY

HOUSEHOLD INDIGENCE SUBSIDY SCHEME

VERIFICATION FORM OF INFORMATION SUPPLIED:

HOME ADDRESS: _____

In terms of the Indigence Subsidy Scheme, the applicant agreed that Municipal Employees may conduct an on-site audit to verify the information supplied on the application form.

SECTION A: PARTICULARS OF ACCOUNT HOLDER

- 1. Surname _____
- 2. First Names _____
- 3. ID number _____
- 4. Date of Birth _____
- 5. Residential Address _____

- 6. Postal Address _____
- 7. Telephone no. on site _____
- 8. Persons Interviewed _____
- 9. Number of people living on property (over 18) _____

SECTION B: INCOME OF HOUSEHOLD

ID Number	Initial Surname &	Gross Monthly Income	Source of Income	Employed Yes/No	Proof of Income
Total					

SECTION C: INSURANCE POLICIES

Company	Policy type	Monthly payments
Total		

DECLARATION BY VERIFYING OFFICER:

I, the undersigned, who on behalf of the Local Municipality ofMunicipality, conducted an on-site audit at the address to verify the information supplied on application for the Indigence Subsidy, hereby solemnly declare that:

- a) All particulars furnished in this form were supplied by the household.
- b) None of the above particulars were in any way altered by myself unless instructed to do so by the household and initialled accordingly.
- c) Based on my investigation, it is my belief that to the best of my knowledge the above household: _____ qualifies for the subsidy/needs to be further investigated.

Full name of Verifying Officer

Signature

Date

Full name of Supervisor

Signature

Date

Total Income R_____

Total Expenditure R_____