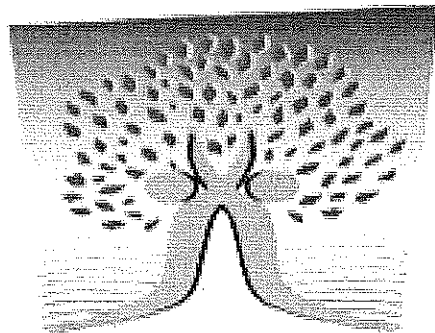


! Kheis
Munisipaliteit
Municipality

INDIGENT POLICY

2013/2014

INDIGENT POLICY



! Kheis
Munisipaliteit
Municipality

Date of Adoption:

MUNISIPALITEIT !KHEIS
Privaatsak / Private Bag X2 Gröblershoop 8850
2014 -05- 3 0
Tel: 054 833 9500 Fax: 054 833 0690
MUNICIPALITY !KHEIS

A handwritten signature in black ink, appearing to be a stylized name, is written over the bottom right corner of the stamp and extends slightly below it.

OUR VISION

“The development of an institution, focussing on transparent, loyal and effective service delivery to the residence of the !Kheis Municipal Area.”

OUR MISSION

‘To promote economic development to the advantage of the communities within the boundaries of the !Kheis Municipality. This will be done by the establishment and maintenance of an effective administration and a safe environment in order to lure tourists and investors to the area’.

PREAMBLE

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes that such policy must provide for “provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents.”

Now therefore the Municipal Council of the !Kheis Municipality adopts the Indigent Policy as set out in this document:-

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1. INTRODUCTION

!Kheis Municipality acknowledges the fact that priority must be given to the basic needs of the community and that the social and economical development of the community is assisted in an effort to provide access to the basic level of service in terms of the Constitution of South Africa, Sect 151(1) (b) and 153(b).

In an effort to make basic services accessible to the poor and to contribute to poverty alleviation program of National Government, the Council will allocate funds to assist the Poor. This policy, the Indigent Policy, is the tool to ensure that eventually the poor is in the safety net and are protected from measures to deny them access to the basic services. It is however acknowledge that the assistance will only be possible with the assistance of National Governments Fiscal.

2. AIM

In recognition of the abovementioned National Framework the municipality undertakes to promote the following principles:

- 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't afford to pay;
- To link this policy with the municipal Integrated Development Planning, Local Economic Development initiatives and poverty alleviation programmes;
- To promote an integrated approach to free basic service delivery; and
- To engage the community in the development and implementation of this policy;

3. OBJECT OF THE POLICY

The object of this policy will be to ensure the following:

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and the indigent exit strategy;
- The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
- To ensure co-operative governance with other spheres of government; and
- To enhance the institutional and financial capacity of the municipality to implement the policy.

4. LEGAL FRAMEWORK

The legal framework within to provide basic services, are in terms the Constitution of South Africa:

- Sect 151(1) (b) – provision of services in sustainable manner,
- Sect 153(b) – participation in national and provincial programs, and
- Sect 156 – powers and functions to be performed by the municipalities.

Section 74(2)(c) of the Systems Act, Act 32 of 2000 deals with the ability of the municipality to make provision for the provision of access to at least basic services for the poor households. Sect 118 of the same Act provides the powers to the Municipality to issue clearance certificates and to hold back those of owners who are in arrears.

It is also seen that Sect 151(1)(b) of the Constitution, read with Section 74(2)(c) of the systems act provides enough powers to the Municipality to subsidize the poor with regard to other tariffs as well as to ensure that the household can maintain access to basic services when the head of the household should pass away.

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

5. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

“Household” a family unit consisting of a head of the family, blood relatives, adopted children and any other persons living on the same plot.

“Indigent household” a household that complies with the criteria as determined in section 6 of this policy.

“Income” All sources of income for example, salaries, allowances, pensions, rental and business income not limiting it to the examples mentioned, excluding state child support grants or maintenance support whether via court order.

“Household” means a registered owner or tenant with or without children who reside on the same premises

“Indigent” means any household or category of households, including a child headed household, earning a combined gross income, as determined by the municipality annually in terms of a social and economic analysis of its area, as vested in the municipal policy, which qualifies for rebates or remissions, support or a services subsidy, provided that child support grant is not included when calculating such household income;

“Indigent Management System” an electronic management system applied by other municipalities for the smooth and efficient management of the register of indigent households;

“Municipality” means the list of municipal categories, established in terms of Section 12 of the Municipal structures Act 117 of 1998, and includes any political structure, political office bearer, councillor duly authorized agent or any employee acting in connection with this by-law virtue of a power vested in the municipal council.

“Indigent register” means the municipal list of indigent customers as per the municipal policy, which has to be updated on a monthly basis, designed to contain all the data contained within completed indigent application forms which contains the following

“Owner” in relation to immovable property means:

I. The person in whom is vested the legal title thereto provided that –

a. The lease of immovable property which is leased for a period of not less than fifty years, whether lease is registered or not, shall be deemed to be owner thereof, and

b. The occupier of immovable property occupied in terms of a service or right analogous thereto shall be deemed the owner thereof;

II. 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;

III. 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

IV. 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

I. A general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or 5 in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);

II. 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;

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

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

6. CRITERIA

The assistance is classified into two categories of urban households, namely

- Category A
- Category B

Assistance is also provided to Old Age Homes and to customers within the jurisdiction area of !Kheis Municipality.

6.1. The qualification criteria for urban households in order to receive assistance are as follow:

6.1.1. The head of the household must be a South African citizen;

6.1.2. An application on the prescribe form, fully completed with the required information and signed, must be provided;

6.1.3. The household, except in the case of rural households, must receive an account from the !Kheis Municipality;

6.1.4. No member of the household may own a fixed property other than the site on which the household resides; and

6.1.5. The household joint gross income may not exceed the levels as determined from time to time by Council, currently as follow:

- Category A – R 3,500.00 per month;
- Category B – R 3,500 per month.

6.2. The qualification criteria for old age homes in order to receive assistance are as follow:

6.2.1. More than 50% of the residence within the old age home must receive less than R 3,500.00 per month income; and

6.2.2. An application on the prescribe form, fully completed with the required information and signed, must be provided.

6.3. The qualification criteria for rural areas households in order to receive assistance with regard to graveyard costs are as follow:

6.3.1. The head of the household must be a South African citizen;

6.3.2. An application on the prescribe form, fully completed with the required information and signed, must be provided; and

6.3.3. The household joint gross income may not exceed the levels as determined from time to time by Council, currently as follow:

- Category A – R 3,500.00 per month;

- Category B – R 3,500.00 per month.

7. BENEFITS

All benefits are awarded in the form as a subsidy on the municipal account.

The following benefits are available for:

7.1. Category A (Joint gross household income less than R3 500)

7.1.1 Property rates

In terms of the Property Rates Act, Act 6 of 2004, section 17(h) all residential sites are exempt from the first R 15,000 of the market value on property. As additional subsidy the Municipality will increase this level to R 85,000 by means of a subsidy in the form a credit on the municipal account. This subsidy will be equal to the smallest of R 85,000 market value or the total valuation of property.

7.1.2 Electricity

A subsidy equal to the amount charged for the first 50 Kwh consumption per month.

7.1.3 Water

A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 100% subsidy on the basic charge for water, where applicable.

7.1.4 Sanitation

A subsidy equal to 100% of the amount charged for the service per month.

7.1.5 Refuse removal

A subsidy equal to 100% of the amount charged for the service per month.

7.1.6 House rental

A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month

7.1.7 Graveyard costs

A subsidy equal to 100% of the amount charged for graveyard cost. The subsidy can be in terms of every deceased member of the household.

7.1.8 Transfer costs

7.1.8.1. A subsidy equal to 100% of the amount charged for transferring the municipal services accounts as a result of death of the head

consumer deposit or to increase the existing deposit.

- 7.1.8.2. A subsidy equal to 100% of the costs of an attorney to transfer the property into the spouse name, this as a result of death of the head of the household whilst approved as a Indigent household and the current registration is not in both parties name registered in the deeds office. The appointment of the attorney is entirely the prerogative of the Municipality. The Municipality can apply for subsidy at COGHSTA.

7.2. Category B (Joint Gross household income less than R3500)

7.2.1 Property rates

In terms of the Property Rates Act, Act 6 of 2004, section 17(h) all residential sites are exempt from the first R 15,000 of the market value on property. As additional subsidy the Municipality will increase this level to R 85,000 by means of a subsidy in the form a credit on the municipal account. This subsidy will be equal to the smallest of R 85,000 market value or the total valuation of property.

7.2.2 Electricity

A subsidy equal to the amount charged for the first 50 Kwh consumption per month.

7.2.3 Water

A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 80% subsidy on the basic charge for water, where applicable.

7.2.4 Sanitation

A subsidy equal to 60% of the amount charged for the service per month.

7.2.5 Refuse removal

A subsidy equal to 30% of the amount charged for the service per month.

7.2.6 Graveyard costs

A subsidy equal to the amount charged for graveyard cost. The subsidy can be in terms of every deceased member of the household who is registered on the prescribed application form.

7.2.7 Transfer costs

- 7.2.7.1. A subsidy equal to 100% of the amount charged for transferring the municipal services accounts as a result of death of the head of the household. In the event of divorce or separation, the person who is residing on the plot, qualifies for subsidy on transfer costs. This

household is also exempt from making a consumer deposit or to increase the existing deposit.

- 7.2.7.2. A subsidy equal to 100% of the costs of an attorney to transfer the property into the spouse name, this as a result of death of the head of the household whilst approved as a Poor household and the current registration is not in both parties name registered in the deeds office. The appointment of the attorney is entirely the prerogative of the Municipality. The Municipality can apply for subsidy at COGHSTA.

7.3. Old age Homes

7.3.7. Electricity

A subsidy equal to 10% of the amount charged for the service per month.

7.3.8. Water

A subsidy equal to 80% of the amount charged for the service per month.

7.3.9. Sanitation

A subsidy equal to 60% of the amount charged for the service per month.

7.3.10. Refuse removal

A subsidy equal to 30% of the amount charged for the service per month.

- 7.4. Graveyard costs with regard to instances where household do not receive a municipal account

A subsidy equal to the amount charged for graveyard cost is applicable when compliance of the following criteria can be provided:

- Criteria as set in 6.1.1;
- Criteria as set in 6.1.2; and
- Criteria as set in 6.1.5 as far as it concern the threshold level of indigent subsidy.

- 7.5. Customers in areas where electricity is supplied by Eskom

A subsidy equal to the amount charged for the first 50 Kwh consumption per month

8. ADMINISTRATIVE PROCEDURES

8.1. Organizational Structure

The organizational structure dealing with assistance to the poor is split in decision making and execution.

The decision making component will consist of the elected councillors in the Finance

Committee.

Responsibilities of the Committee:

This Finance & Administration committee will ensure that recommendations be made with regard to:

- Policy changes;
- Monitoring of the assistance provided; and
- Serve as the dispute handling committee.

The execution portion will be dealt with by the Social and Economic Development unit of !Kheis Municipality.

Responsibilities of the unit will include at least:

- Assist households with applications;
- Consider applications according to criteria
- Approve applications;
- Ensure implementation of approved applications;
- Keep administrative record of all applications,
- Assist in reconciling information with the financial system; and
- Prepare monitoring reports.

8.2. Application Procedure

8.2.1. The head of the household, if not the municipal account holder supported by the municipal account holder, must apply for the subsidy in person. The onus to apply is placed on the head of household.

8.2.2. The application must be on the prescribe application form.

8.2.3. The application form must at least include the following documents:

- Copy of the latest municipal accounts, where applicable;
- Copy of the head of the household identification document and in the case of not the account holder the account holder documentation;
- Copy of the deceased identification and death certificate documents, where applicable;
- Proof of income, certified by employer as a true reflection, if applicable;
- Copy of the pension card, UIF card, or interest certificate, etc, if applicable; and
- An affidavit that certifies that the information provided is the truth and nothing but the truth.

8.2.4. The municipality acknowledged the fact that support must be offered in order to ensure access to the subsidy. For this purpose a committee is in tack to assist the poor. All applications must be lodged at the HR unit of !Kheis Municipality.

8.2.5. The Municipality reserves the right that an official of the unit may visit the household residing place in order to establish or confirm the information provided.

8.2.6. The Municipality undertakes to remind the household, two months prior to expiry of the approval, of the expiry. The non-receiving of the notice in the form of a house visit, letter or via the municipal account will not place the responsibility on the Municipality to ensure re-application.

8.3. Measurement and duration of applications for approval

8.3.1. Measurement whether the application qualify in terms of the criteria as set in section 6 is based on the information as on the date of the application. The municipality reserves the right to lodge their own investigation in order to ensure compliance with the criteria.

8.3.2. An approved application is valid for a period of twelve months.

8.3.3. If an applicants financial position changes and it is of a permanent nature the applicant must inform the Municipality of the change. If the change affect the household in such a manner that it no longer meet the criteria as set in section 6 the approval will automatically stop.

8.3.4. The onus rest with the applicant to inform the Municipality of any such changes.

8.3.5. The approval will stop automatically two months after the head of the household passed away. If the household left behind is still financially in the same position the subsidy must be transferred to the new head of the household. The onus to apply is placed on the new head of the household.

8.4. Disputes

Any dispute based on the administrative process or approval of an application will be dealt with by the Finance Committee. The Committee may call the applicant to put their dispute in words or ask the applicant to put it in writing. The Social and Welfare Committee must be afforded to provide the committee with documentary proof of the process followed and or reasons for the decision made. The committee may not include in their decision any deviation of this policy.

9. COMMENCEMENT DATE

This policy takes effect as from the 1 July 2014.

10. CONCLUSION

The granting of an indigent subsidy shall be the sole prerogative of council whose decision shall be final. A free Basic Service policy should be seen as a revenue protection mechanism for !Kheis Municipality to protect its revenue; the indigent support policy must be applied consistently