



## **INDIGENT SUPPORT POLICY 2018**

Approved by Council on 29 May 2018 (Resolution no SCOUN-055.2/18)

**Effective with effect from 1 July 2018**



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**MUNICIPAL MANAGER**

## CONTENTS

<b>Preamble</b>	<b>3</b>
<b>1. Definitions and interpretations</b>	<b>3</b>
<b>2. Objectives of Policy</b>	<b>6</b>
<b>3. Principles of Policy</b>	<b>7</b>
<b>4. Legislative framework</b>	<b>7</b>
<b>5. Adoption of an Indigent Support Policy</b>	<b>8</b>
<b>6. Alignment of Policy with IDP and related Policies</b>	<b>8</b>
<b>7. Institutional arrangements</b>	<b>8</b>
<b>8. Assistance and support</b>	<b>9</b>
<b>9. Criteria for indigent support</b>	<b>10</b>
<b>10. Subsidy</b>	<b>12</b>
<b>11. Communication strategy</b>	<b>16</b>
<b>12. Application process</b>	<b>17</b>
<b>13. Indigent Steering Committee</b>	<b>19</b>
<b>14. Right of appeal</b>	<b>20</b>
<b>15. Publication of registered indigent households</b>	<b>20</b>
<b>16. Termination of indigent support</b>	<b>20</b>
<b>17. Exit from indigence programme</b>	<b>22</b>
<b>18. Relocation and duty to inform municipality of move</b>	<b>22</b>
<b>19. Audit and review</b>	<b>23</b>
<b>20. Monitoring and reporting</b>	<b>23</b>
<b>21. Capacity building</b>	<b>23</b>
<b>22. Responsibility framework</b>	<b>23</b>
<b>23. Information and education</b>	<b>24</b>
<b>24. Misconduct by officials</b>	<b>25</b>
<b>25. Offences and penalties</b>	<b>25</b>
<b>26. Authentication and serving of notices</b>	<b>26</b>
<b>27. Policy repeal and commencement date</b>	<b>27</b>
<b>28. Policy approval and commencement</b>	<b>27</b>

## **PREAMBLE**

The Council of Dr Beyers Naudé Municipality hereby adopts this Indigent Support Policy effective from 1 July 2018.

### **1. DEFINITIONS AND INTERPRETATIONS**

In this Policy, any reference to the masculine gender includes the feminine and any corporate entity, the singular includes the plural and vice versa and, unless the context otherwise indicates:

**“chief financial officer”** means an official duly authorised by the municipality, or an employee of a service provider appointed by the municipality, who is responsible to ensure that the Indigent Support Policy of the municipality is implemented;

**“child headed household”** means a household where both parents are deceased, in which a minor has become the head of the household and where all occupants of the property are children of the deceased and are under the legal age to contract for services;

**“household”** means all the occupants who reside on the same premises (regarded as a unit in terms of legislation);

**“IDP”** means the approved Integrated Development Plan of the municipality;

**“indigent”** means any household or category of households, including a child headed household, where all the persons residing on the premises (including tenants and back-yard dwellers) in total are 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 Cooperative Governance and Traditional Affairs (COGTA), who qualify for rebates/remissions, support or a service subsidy, provided that disability, foster and child support grant as well as stipends received from EPWP, CWP and Sakisizwe will be excluded from household income for determination of qualification for subsidy and are not included when calculating such household income;

**“indigent management system”** means a management system applied by Dr Beyers Naudé Municipality for the management of the register of indigent households;

**“indigent register”** means the database, which has to be updated on continuously, designed to contain all the data on the completed indigent application forms, including: Indigent customer details;

- Socio-economic details; and
- Skills details.

In addition, the indigent register must be able to provide reports relating to, but not limited to the following:

- Indigent application exceptions;
- Skills reporting required for LED/exit strategy; and
- Socio-economic reporting.

**“municipality”** means Dr Beyers Naudé Municipality established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorised 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, councillor, 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 used by such spouse or owner as a dwelling at any time, shall be deemed to also be the occupier thereof; and
- b. All persons residing on the property will be regarded as occupiers of the property.

**“official”** means any official in the employ of the municipality or agent or service provider appointed by the municipality;

**“owner”** in relation to immovable property means:

- a. the occupier of immovable property occupied in terms of 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 manage, 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;
- e. if the owner is deceased and the family or a member on behalf of the family issue an affidavit that the occupier is the legal beneficiary of the estate.

**“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”** means an official duly authorized by the municipality, or an employee of a service provider appointed by the municipality, who is responsible for the following:

- a. to ensure that applications for indigent support are received and assessed;
- b. to ensure that applications are captured onto the Indigent Management System;
- c. to ensure that information on applications are verified and that regular audits are executed;  
and
- d. to recommend expenditure with regard to indigent support.

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

**“tenant”** means any person other than the main family members described as a household, occupying the premises i.e. lodger, paying guest, renter etc whose income will also be included in the gross income of the household applying for indigent subsidy.

## **2. OBJECTIVES OF POLICY**

The objectives of this Policy are to:-

1. Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent households in respect of their municipal account;
2. Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
3. Provides procedures and guidelines for the subsidization of basic charges and the provision of free basic services to indigent households;
4. Determine the criteria for qualification of indigent subsidies;
5. Ensure that the criteria is applied correctly and fairly to all applicants;
6. Allow the Municipality to conduct in-house visits to the premises of applicants to verify the actual status of the household;
7. Allow the Municipality to manage, maintain and publish the register of names and addresses of account holders receiving subsidies;
8. The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
9. The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization;
10. Co-operative governance with other spheres of government; and
11. Enhance the institutional and financial capacity of the municipality to implement the Policy.

## **3. PRINCIPLES OF POLICY**

- a) The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for making of Policy, while it is the

responsibility of the Municipal Manager to ensure the execution of this Policy. Councillors are in terms of the Code of Conduct, Schedule 1 to the Municipal Systems Act prohibited to interfere in the management and administration of benefits to indigents in terms of this Policy. Interference with the management of indigent administration is regarded as interference in the administration;

- b) To ensure that a portion (identified by Council) of the Equitable Share received annually will be utilized for the benefit of the poor only;
- c) To link this Policy with the municipality's IDP, local economic development (LED) initiatives and poverty alleviation programmes (if any);
- d) To promote an integrated approach to free basic service delivery; and
- e) To engage the community in the development and implementation of this Policy;
- f) All applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this Policy;
- g) Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and manage these documents must be able to explain the contents thereof in languages used in the area;
- h) Illiterate applicants must be assisted to complete forms and to understand the stipulations and conditions of this Policy; and
- i) The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

#### **4. 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); and
- The Property Rates Act, 2000 (Act 6 of 2004).

## **5. ADOPTION OF AN INDIGENT SUPPORT POLICY**

- a. The municipality must, in consultation with its community and based on a socio-economic analysis, adopt a Policy as a framework for the provision of free basic services to households qualifying for such support in its area;
- b. The Policy contemplated must be revised annually during consideration of the budget for the next financial year.

## **6. ALIGNMENT OF POLICY WITH IDP OBJECTIVES AND RELATED POLICIES**

The Policy Support Policy must be developed within the framework of the municipality's approved IDP and related policies as well as the Local Economic Development Strategy and/ or other related programmes of the municipality.

## **7. INSTITUTIONAL ARRANGEMENTS**

**7.1 The municipality** must establish indigent support, under supervision of the Chief Financial Officer, for the effective implementation of the Policy with specific reference to -

- a) the communication in relation to the Policy to the community;
- b) the provision of registration points for applications for indigent support;
- c) the rendering of assistance with the receipt and processing of such applications;
- d) site visits for the purpose of -
  - i. verification of applications;
  - ii. assistance to applicants who cannot visit registration points because of physical disability;
  - iii. any other form of assistance to give effect to the objectives of the Indigent Support Policy; and
- e) the promotion of public awareness with regard to the Policy.



## **7.2 The Chief Financial Officer shall be responsible for -**

- a) The appointment and training of the staff of the unit;
- b) The establishment of an electronic Indigent Management System for the effective administration and processing of applications; and
- c) The development of a Procedures Manual in terms of which applications are received and processed.
- d) The municipality may engage Community Development Workers who have been trained in terms of the municipality's directions to assist with the implementation of this Policy and must establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

## **7.3 Capacity building**

The municipality must ensure that all officials are appropriately capacitated in Free Basic Services in terms of the following key areas –

- a) Database management
- b) Demand and revenue management; and
- c) Policy and by-law implementation.

## **8. ASSISTANCE AND SUPPORT**

8.1 Based on budgetary allocations and the tariffs determined by the municipality for each financial year, it may grant assistance in the form of subsidies or contributions to indigent households in respect of services including, but not limited to:

- a. basic water;
- a. electricity;
- b. basic energy;
- c. refuse removal;
- d. sanitation; and
- e. property rates
- f. lower unblocking fee of R100.

## **9. CRITERIA FOR INDIGENT SUPPORT**

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

- a) The combined or joint gross monthly income of all occupants on the premises (including income earning tenants or back-yard dwellers) may not exceed a total of 2 X government pension per month. Child support grant, disability grant, foster care, stipends received from EPWP, CWP and Sakisizwe will be excluded from household income for determination of qualification for subsidy and will therefore not be included when calculating such household income;
- b) Particulars of income earning tenants or any other people living on the property must be declared on the application form. Failure to declare particulars of income earning tenants or any other income earning occupants on the property will lead to disqualification for indigent subsidies;
- c) The elderly status and the marital status of the applicant shall be taken into account;
- d) Where the previous beneficiary is deceased, the surviving next of kin (husband/ wife/ child/ grandchild) who then is responsible for the running of the household will qualify for the same benefits as the deceased beneficiary if they meet the criteria of this Policy, and will be considered for subsidy on submission of a new application form;
- e) Where the house has already been an estate house for a period of time, the heir to the house (husband/ wife/ child/ grandchild) who has applied for indigent status, may receive the same benefit as the deceased owner if they qualify for indigent subsidy;
- f) Allocation of indigent subsidy for applicants in 4 and 5 above will be subject to indication on the application form that the owner is deceased and that the house is an estate house; and the applicant must attach a Letter of Authority or copy of the Will stating that he or she is the person to whom the house has been allocated in the estate; or that there is no official heir to the property so that the legal process to determine a legal heir can be effected;

- g) Indigent child headed households will automatically benefit if there are no other income earning occupants on the property whose income exceeds the prescribed limit;
- h) The property occupied by the applicant may only be used for residential purposes;
- i) The applicant must be the owner or tenant who receives municipal services and must be registered as an account holder on the municipal financial system;
- j) A tenant can apply for the benefits in respect of the charges he/she is billed for and the landlord renting out the property, will still be liable for all ownership related charges such as rates;
- k) Depending on capacity the municipality may apply any or a combination of the following targeting methods for allocation of indigent subsidy:

TARGETING APPROACH	APPLICATION
1. Service levels	Lowest service levels normally in informal settlements and rural areas
2. Service consumption	Metered services in urban and rural areas
3. Property value	Applicable only to registered indigents in respect of subsidized or RDP housing to a value determined in addition to the R15000 in terms of the Property Rates Act, 2004
4. Household income	Threshold determined in terms of socio-economic analysis
5. Geographical zone targeting	Specific areas (rural or urban) where households are regarded as poor irrespective of service level

- l) Must be a permanent resident of the Dr Beyers Naudé Municipality's area or jurisdiction;
- m) Must be a South African citizen in possession of a valid South African identity document;
- n) The applicant may not be the registered owner of more than one property;

- o) Pensioner applicants 60 years and older owning the property, with a total gross monthly income not exceeding R6 000, will qualify for 50% indigent subsidy;
- p) All households residing in the designated squatter's areas automatically qualify for indigent subsidy if they are registered as account holders on the municipal financial system and receive monthly accounts from the municipality for metered standing taps.
- q) All supporting documentation that accompanies the application must be original or certified as a copy of the original and not be older than 2 months; and
- r) It is compulsory that all successful applicants' houses will be fitted with a prepaid electricity meters.

## 10. SUBSIDY

The indigent support subsidies will be funded from the "equitable share" contribution received from National Treasury. The subsidies will only be granted to qualifying households to the extent that the funds are available for allocation. The monthly municipal account will reflect the normal monthly levies together with the subsidy credits. A customer qualifies for either an indigent subsidy or a pensioner's rebate but not both. Within the framework of this Policy, the following assistance and support will be granted:

- 10.1 **Free basic water** of 6kl per month including the basic charges for such supply provided that-
  - a) Where the consumption exceeds 6kl per month the consumer must pay for the excess, failing which the municipality shall be entitled to restrict water supply to the property; and
  - b) Where excessive consumption is partly due to leaks, the household should apply for rectification in terms of this Policy and
  - c) 100% of the basic levy for water for one service point per month.
- 10.2 **Free basic electricity** fully subsidized to a maximum of 50 kWh per month, subject to the availability of infrastructure. This subsidy may also apply to registered indigent households in rural areas where the municipality is the supplier of electricity while agreements with Eskom, where the latter is the supplier, may be negotiated to support such households.

Indigent households in informal settlements where limited or no electricity is available, may be provided with alternative energy sources, provided that procurement of service providers or services shall be subject to the Supply Chain Management regulations of the municipality, availability of funding and that the support given does not exceed the level of support given to other indigent households.

### 10.3 Free basic sanitation

- a) 100% of the basic levy for sewerage for one service point per month; and
- b) Where an indigent household has a sewerage tank, only 1 (one) sanitation suction will be granted per month.

10.4 **Free basic refuse removal** of 100% of the basic levy for refuse for one service point per month.

### 10.5 Property rates:

- a. Each registered indigent household may be subsidized for property rates as provided for in the annual budget and subject to the provisions of the Municipal Property Rates Act, 2006, currently 100% which include the amount in section 17(i)(h) of the Municipal Property Rates Act (Act 6 of 2004).
- b. 100% subsidy will be granted in respect of all dwellings or sites belonging to the municipality.
- c. Pensioners will receive the following subsidies on property rates per month:
  - i. 65% Subsidy on the assessment rates when the household income is R4 000 and below;
  - ii. 55% Subsidy on the assessment rates when the household income is between R4 001 and R5 000; and
  - iii. 45% Subsidy on the assessment rates when the household income is between R5 001 and R6 000.

### 10.6 Burials

In the event of the death of a member of an indigent household, the municipality may exempt the household from the cost of digging and preparation of a grave, provided that

the burial takes place in a municipal cemetery and the deceased is not covered by a burial policy. The affected household has to apply for above benefit.

#### **10.7 Unforeseen property expenditures**

The municipality may, upon its discretion, subsidize an indigent household in full for any unforeseen property expenditures such as water leakages and faulty electricity meters subject to approval by the Chief Financial Officer.

10.8 100% subsidy of the installation of a pre-paid meter where necessary.

#### **10.9 Assistance on arrears**

- a. Any first time indigent applicant qualifies for a write-off of that household's municipal debt. Outstanding debt of successful applicants will be written off (only once) against the Councils provision for bad debt;
- b. An indigent account holder qualifies for a write-off if the arrears are the result of a water leakage and evidence of such a repair must be provided to for consideration of the write-of; and
- c. Any write-off regarding 9a and b have to be approved by council and recorded for audit purposes.

#### **10.10 Transfer of property**

1. If a person was legally appointed (in the will of the deceased indigent account holder) and the beneficiary is an indigent person, the beneficiary (occupant) of the property will continue to qualify for indigent subsidy until the property is transferred into the beneficiary's name;
2. Where it is found that the beneficiary (occupant) will also qualify for indigent subsidy, consideration may be given to subsidize (from the equitable share earmarked for indigent subsidy), the costs associated with the transfer of the property into the beneficiary's name **subject to the availability of funds on the budget and/or legal aid;**

3. Annually the Municipality has to budget (from the grant available for indigent subsidy) for a certain number of houses to be transferred under this Policy. The names of the beneficiaries under this scheme have to be approved by Council;
4. Transfer will be effected by the appointed attorneys of the municipality;
5. If there is no legal beneficiary for the property of the deceased account holder and the rates are in arrears for extended periods, the amount in arrears will be written-off by Council and properties of deceased estates will receive priority for approval of Council to be transferred through the normal processes of the Master of the High Court. The process to determine a rightful heir and transfer the property will be effected by the attorneys of the Dr Beyers Naudé Municipality and will be funded from the indigent subsidy, subject to availability of funds;
6. The cost for transfer of property and attorney will be paid out of the **indigent subsidy vote subject to availability of funds and/or legal aid and is subject to available funding.**

#### **10.11 Indigent household in body corporates, retirement centres, children homes or PBO's**

Indigent consumers living in body corporates, retirement centres, Children homes or PBO's shall be eligible to qualify for assistance and support in terms of this Policy, subject to the following rules and procedures:

1. The onus will be on the Board of Trustees/Managing Agent/Chairperson of a Body Corporate (hereinafter referred to as the representative of the Body Corporate or Retirement Centre) to apply to the municipality, for indigent status to be granted in respect of water consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification;
2. The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect of property rates and related charges;

3. The representative of the Body Corporate or Retirement Centre, Children's Home or PBO's will submit applications to the Chief Financial Officer, 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;
4. The Programme Officer must verify all applications and after consideration by the Indigent Committee he or she must notify:
  - a. The representative of the Body Corporate or Retirement Centre, Children's Home or PBO's whether an application was successful or not, with regard to the water consumption; and
  - b. The unit owner whether an application was successful or not, with regard to the property rates and other related charges.
5. The Chief Financial Officer will credit the monthly account:
  - a. of a Body Corporate or Retirement Centre, Children's Home or PBO, with water and sewerage charges, the amount of which will be calculated by dividing the total number of kiloliter's of water consumed by Body Corporate by the number of units in the complex, but up to a maximum of 200 litres of water per day for each unit that qualifies for assistance;
  - b. General rates and refuse charges account of the unit owner with the full amount charged.
6. The representative of the Body Corporate, Retirement Centre, Children's Home of PBO in respect of which monthly water credits are allowed under indigent support, must ensure that such credits are off-set against the monthly levies of the relevant individuals' units; such representative also being required, once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer that the monthly levies of households which qualify for assistance, have been adjusted by the amounts of the account of the Body Corporate or Retirement Centre.



## **11. COMMUNICATION STRATEGY**

1. Based on the socio-economic information contained in the municipality's IDP and other planning instruments, appropriate methods for the targeting of indigent households must be developed by the municipality as part of its Policy Support Policy;
2. 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;
3. Regular information dissemination must be undertaken through Ward Committees, awareness campaigns, community based organizations and face-to-face contact by means of imbizo's to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general; and
4. Regular engagement with traditional leaders, where applicable, government departments and Eskom must be undertaken regarding to the objectives of the Policy and the implementation thereof.

## **12. APPLICATION PROCESS**

12.1 The account holder must apply in person at a customer care office or municipal office in the area of the municipality on the prescribed application form. The following items (the original or certified copy of the original not older than 2 months) must accompany the application:

1. Certified copies of ID's (of all occupants residing on the property older than 18 years of age);
2. The latest municipal account;
3. Certified documentary proof of income of all occupants over the age of 18 plus bank statement reflecting such income;
4. Affidavits declaring lack of income and/or proof of registration as unemployed of all occupants with no income residing on the premises; and

5. Particulars of any other grants received by the accountholder and all occupants over the age of 18.

12.2 As part of the application process, the applicant will be required to give consent for:

- a. the installation of any form of pre-paid electricity meters or flow limiting water meters as a system to limit the consumption of services and to decrease the accumulation of debt;
- b. external scans and credit bureau checks;
- c. The assistance and support given will be valid for a period of 12 months without guarantee of renewal. The onus remains on the applicant to re-apply for assistance each year, failing which the assistance will lapse.

### **12.3 Processing of applications**

The Chief Financial Officer must ensure that applications for indigent support are registered and processed on a continuous basis on the Indigent Management System according to the procedures approved by Council.

### **12.4 Verification of applications**

The municipality will conduct audits to verify applications for information furnished or possible changes in the status of applicants. Such audits must be conducted according to the procedures contained in the Procedures Manual.

### **12.5 Assessment & Screening of Applicants**

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

#### **12.5.1 Indigent Management System Check**

The registration data must be checked to determine whether an applicant is already registered within the system as well as to determine dates for review of existing beneficiaries.

#### **12.5.2 Data Capture**

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

### 12.5.3 Verification – Site Visit

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

### 12.5.4 Verification – External Scans

An external scan of applicants recommended as suitable candidates for indigent support, may be conducted with UIF, SARS, Department of Welfare, Credit Bureau or any other organization after the site visitation has been captured. The information gathered through verification in terms of 12.4.3 and 12.4.4 must be entered into the Indigent Management System within 72 (seventy two) hours after receipt thereof for finalization of the application.

### 12.5 Recommendation

Once the verification has been completed, the Indigent Management System must generate a recommendation based on the information captured onto the database. The applications that qualify for indigent support in accordance with the system, will then be submitted to the Indigent Steering Committee for approval.

## 13. INDIGENT STEERING COMMITTEE

1. An Indigent Steering Committee comprising of designated officials and councillors must be established by the Council for the purpose of consideration and finalization of applications received;
2. The comments of the relevant ward councillor and ward committees on applications will be considered by the Indigent Steering Committee before approving applications.
3. The Indigent Steering Committee must meet regularly;

4. The Indigent Steering Committee must consider each recommended application; assess it in terms of the Policy and any other knowledge or information which members may have in respect of the applicant;
5. The Indigent Steering Committee must monitor the implementation of the indigent support programme, subject to the Policy directions of the municipality and in consultation with the Municipal Manager;
6. The recommendation on applications that qualify according to the Indigent Steering Committee for indigent support in accordance with the system and Policy shall be submitted to Council for final approval;
7. Upon approval of indigent support by the Indigent Steering Committee, the administration may proceed with the process to allocate the subsidies and the process need not be put on hold for Council approval. Council approval is however required for audit purposes.
8. The programme officer must inform all applicants for indigent subsidy on the outcome of Council approval or disapproval of subsidies.

#### **14. RIGHT OF APPEAL**

A person whose rights are affected by a decision of the municipality may appeal against that decision by giving written notice of the appeal and the reasons therefore in terms of Section 62 of the Municipal Systems Act, Act 32 of 2000 to the Municipal Manager within 21 days of the date of the notification of the decision.

#### **15. PUBLICATION OF REGISTERED 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 who will be responsible for investigation of the validity of the complaint and referral to the Indigent Steering Committee for consideration and recommendation to Council.

#### **16. TERMINATION OF INDIGENT SUPPORT**

Indigent Support will be terminated under the following circumstances:

1. Death of account-holder should the person appointed in the Will of the diseased not qualify for indigent subsidy;
2. At the end of the 12 months cycle, except in the case of pensioners and child-headed households;
3. Upon sale of the property;
4. When circumstances in the indigent household have improved in terms of a gross income exceeding two times the government pension grant;
5. Any applicant who provides false information on the application form and/or any other documentation and information in connection with the application or made any illegal connection regarding the services provided by the municipality –
  - a) Shall automatically without notice be de-registered as an indigent customer from the date on which the municipality or its authorised agent became aware that such false information or illegal connection; and
  - b) Shall be held liable for the payment of all services received in addition to any other legal actions the municipality or its authorised agent may take against such consumer. All arrears will become payable immediately and stringent credit control measures will apply;
  - c) Shall for a period of three (3) years not be allowed to register as an indigent customer irrespective of the circumstances he/she may have to endure;
6. An indigent customer must immediately request de-registration by the municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meets the qualification criteria for indigent subsidies;
7. An indigent customer shall automatically be de-registered if an application is not renewed or if such application is not approved;
8. An indigent customer may at any time request de-registration;
9. If the water or electricity consumption exceeds the average allowable consumption stipulated in this Policy, the customer will receive a written notice to rectify the average consumption within 3 months. If the customer fails to respond to rectify the average consumption, the

indigent subsidy will be stopped. Proven water leaks may be rectified if proof can be submitted that the leak has been fixed.

## **17. EXIT FROM INDIGENCE 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 may 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.

## **18. RELOCATION AND DUTY TO INFORM MUNICIPALITY OF MOVE**

1. When an indigent family move from one house to another, the family has to inform the Municipality of the move by way of an affidavit. Then the administration will verify the account and original application of applicant;
2. When a non-indigent family move into a house where free services were previously provided, the indigent support for the previous occupant has to be stopped and a new application form needs to be submitted;
3. All application forms and documentation for indigent applicants should indicate that indigents must report their relocations to the Dr Beyers Naudé Municipality.
4. When a tenant indigent family moves out of a house, any debt that may occur after moving out will be for the account of the owner of the property.

5. If an indigent family leave their house temporarily for more than 3 months, their benefits will cease and if the house is being occupied by another family, the family have to make a new application for consideration.
6. If an approved indigent consumer is a tenant that has to evacuate a house and does not move into another house, such indigent consumer has to inform the municipality.

## **19. 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.

## **20. MONITORING AND REPORTING**

The Chief Financial Officer shall submit a report monthly to the Municipal Manager for submission to Council. The report shall reflect on:

- a. Number of indigent households applied;
- b. Amount of subsidy allocated per service category;
- c. 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);
- d. Performance against targets set in the municipality's performance management system; and
- e. Changes in the registered status of indigents.

## **21. CAPACITY BUILDING**

The municipality must ensure that all officials and councillors are appropriately capacitated in relation to free basic services including:

- Database management
- Demand and revenue management
- Policy and by-law implementation

## **22. RESPONSIBILITY FRAMEWORK**

### **1. Development and Review**

The development and review of this Policy remains the responsibility of the Chief Financial Officer. The review of this Policy will be done annually except in extra-ordinary instances where circumstances may dictate a need to review the Policy earlier.

### **2. Implementation and Monitoring**

- a. The finance department, under guidance by the Chief Financial Officer, has the responsibility of implement and uphold the Indigent Support Policy.
- b. The Chief Financial Officer must monitor and report on compliance with the Policy to the Municipal Manager and Council.
- c. The Municipal Manager must take corrective / disciplinary actions to address any non-compliance with the Policy.
- d. The Council must monitor the implementation of the Policy and also play an oversight role to ensure that all municipal officials adhere to the Policy at all times without interfering in individual cases or the administration of the system.

### **3. Enforcement**

It is the responsibility of the Municipal Manager, Chief Financial Officer and Council to ensure that all provisions of this Policy are strictly adhered to at all times.

## **23. INFORMATION AND EDUCATION**

1. A signed copy of this Policy shall be placed on the municipality's website under "policies" within 5 days after its tabling or approval by the council. A signed hard copy of the Policy shall be placed in a file of policies which must be placed in an appropriate location in each Department / section for easy access to the relevant departmental personnel.
2. All staff members, councillors and communities should be made aware of the Policy through workshops, information sharing sessions, community outreach programs and ward committees.



3. New staff members must be inducted on the applicable policies of the municipality as detailed in the municipality's Recruitment Policy.
4. Attendance registers must be signed by community members during the information sharing sessions and community outreach programs as proof that they have been informed about the contents of the Policy and that they understand the implications thereof.

#### **24. MISCONDUCT BY OFFICIALS**

1. Any official of the municipality commits an act of misconduct if he/she deliberately or negligently-
  - i. contravenes a provision of this Policy;
  - ii. fails to comply with a duty imposed by a provision of this Policy;
  - iii. makes or permits, or instructs another official of the municipality to make an unauthorised, irregular or fruitless and wasteful expenditure; or
  - iv. provides incorrect or misleading information in any document or report relating to any activity in terms of this Policy.
2. The municipality must -
  - i. investigate allegations of misconduct or suspected misconduct against an official of the municipality unless such allegations or suspicion are speculative or unfounded; and
  - ii. if the investigation warrants such a step, institute disciplinary proceedings against the official in accordance with systems and procedures referred to in Section 67 of the Municipal Systems Act, read with Schedule 2 of that Act.

## **25. OFFENCES AND PENALTIES**

Any person who –

- a) knowingly provides false or misleading information in an application for indigent support;
- b) fails to notify the municipality of change in status to the extent that the income threshold determined annually is exceeded;
- c) interferes with or obstructs an official of the municipality in the execution of his/her duties performed in terms of this Policy;
- d) interferes with any measuring- or restrictive device provided by the municipality in terms of the Indigent Support Policy;

OR commits an offence and upon conviction shall be liable to –

1. a fine or imprisonment, or either such fine or imprisonment or both such fine and such imprisonment;
2. in the case of a continuing offence –
  - a) an additional fine or an additional period of imprisonment;
  - b) such additional imprisonment without the option of a fine;
  - c) both such additional fine and imprisonment for each day on which such offence is continued; and
  - d) a further amount equal to any costs and expenses found by the court to have been incurred by the municipality as result of such contravention, omission or failure to comply.

## **26. AUTHENTICATION AND SERVING OF NOTICES**

26.1 Any notice or other document that is served on a person is regarded as duly served -

- a) when it has been delivered to that person personally;

- b) when it has been left at that person's place of residence or business in the Republic with a person over the age of 16 years;
- c) when it has been posted by registered or certified mail to that person's last known residential or address in the Republic and an acknowledgement of the posting thereof, from the postal service, is obtained;
- d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) and (c);
- e) if that person's address, agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the land or business premises to which it relates;
- f) in the event of a body corporate, when it has been delivered at the registered office of the business premises of such body corporate;
- g) Serving of a copy is deemed to be served with the original;
- h) When any notice or other document is served on the owner, occupier, holder of any property or holder of any right in any property, it is sufficient if that person is described in the notice, or other document, as the owner, occupier, holder of the property or holder of the right in question, and it is not necessary to name that person.

## **27. POLICY REPEAL AND COMMENCEMENT DATE**

This Policy replaces any other Policy or Council resolutions of any of the 3 disestablished municipalities that merged into Dr Beyers Naudé Municipality as well as any previous policy of Dr Beyers Naudé Municipality as far as it may refer to indigent subsidies as defined in this Policy.

Once approved or adopted by the Council, the Policy Support Policy will form part of Municipality's internal control mechanism, Delegations Register and Financial Regulations of the Dr Beyers Naudé Municipality.

The implementation of this Policy takes effect on 1 July 2018 and the Policy must be reviewed within 12 months of its current date of effect or earlier if dictated by circumstances or any change to existing legislation.

## **28. POLICY APPROVAL AND COMMENCEMENT**

This Indigent Support Policy is approved by Council (resolution number SCOUN-055.218) on 29 May 2018 and will be implemented with effect from 1 July 2018.