



UMZINYATHI DISTRICT MUNICIPALITY

INDIGENT SUPPORT POLICY

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1. OBJECTIVE

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality therefore adopts this indigent policy to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

This policy supersedes all financial policy instructions that have previously been issued.

2. PURPOSE

The purpose of this policy is to ensure:

- the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the council
- To provide procedures and guidelines for the subsidisation of basic service charges to its indigent household, using the Council's budgetary provisions received from Central Government, according to prescribed policy guidelines.

The council also recognises that many residents can simply not afford the cost of full provision and for this reason the Council will endeavour to ensure affordability through:

- Setting tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery
- Determining appropriate service levels.

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3. DEFINITIONS

“Accounts” mean statement of moneys received.

“Accounting Officer” is the Accounting Officer.

“Act” means the Local Government: Municipal Finance Management Act No. 56 of 2003, the Local Government: Municipal Systems Act No. 32 of 2000.

“Bank” means an institution recognized by the Registrar of Banks.

“Bank Accounts” are the recognized statement of financial holdings on behalf of the municipality.

“Cash” means money, such as bank notes and coin, or cash equivalents.

“Chief Financial Officer” means a responsible official for financial affairs of the municipality.

“Constitution of the Republic of South Africa, Act No. 108 of 1996” means the Supreme Law of the Republic of Africa

“Municipal Entity” means the developmental arm of the municipality established in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, in particular.

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4. QUALIFICATION CRITERIA

An indigent debtor shall qualify for consideration of indigent benefits in terms of the laid down procedures

4.1. A debtor will be considered:

As **Indigent** if his or her or her/her total household income is less than **R 2,500** per month or such amount determined by annually during the budget process.

For the purpose of determining the total household income of all applicants, the combined or joint gross income of all occupants/residents/dependants in such household shall be taken into account.

Applicants and/or any occupant/resident/dependant of the debtor's household shall not own any fixed property in addition to the property in respect of which indigent support is required from the in terms of this Policy.

4.2. Applicants shall be:

- a) Citizens of the Republic of South Africa in possession of a valid South African Identity Document.
- b) Resident at the premises for which application is made within UMzinyathi District Municipality.
- c) In possession of a service agreement and or monthly statement with UMzinyathi District Municipality in the name of the indigent debtor.
- d) Do not own more than one fixed property.

3.5 Applicants for indigent support must produce written proof of income of:

- a) The household income/grants for each member of the household;
- b) The employment status or low income or reduction in income of each
- c) member of the household;

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- d) The inability to work of each member of the household;
- e) All minor members of the household.

The above documentation should be current, i.e. not more than one month old and verified at a commissioner of oaths e.g. police station, and should be submitted with the application form.

5. CRITERIA FOR ACCEPTANCE

An indigent debtor shall apply for indigent benefits on the prescribed application form and in terms of the laid down procedures

5.1. The applicant shall agree to the following:

- i. To appear personally before the designated official with the application form and documentation required for verification purposes.
- ii. Annual resubmission by the applicant of the application to on the anniversary of the granting thereof and/or on a date determined by and communicated to the applicant.
- iii. That the onus shall be on the approved indigent debtor to inform them of any change in his or her status or personal household circumstances, and within two weeks of the changes.
- iv. Non-Profit organizations (NPO) or Non- governmental organizations (NGO) who do not receive government grant funding will be required to applied for exemption upon submission of audited Annual financial statements for assessment and outcome shows that they cannot afford to pay for municipal services qualifies for indigent classification. The NPO or NGO who qualifies will be billed at residential customer rates.

Failure to comply herewith shall result in the debtor's indigent status being revoked.

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5.2. shall have the right to:

- (a) Verify the details provided by an applicant for indigent support;
- (b) Undertake house visits by lords, Ward Representatives, staff or accredited agents to confirm the indigent's claim and living conditions.
- (c) Where an indigent debtor is found to be living at a standard inconsistent with his or her or her indigent application or fails to allow access or provide any further information as may be required by the , such debtor's indigent benefits may be cancelled at 's sole discretion retrospective to the date of approval.
- (d) Re-evaluate all indigent households after a period of one year
- (e) For the purposes of transparency the municipality, shall cause to be kept a register of all indigent households at Office of the containing:
 - (i) The names of indigent debtors receiving indigent relief for a prescribed period;
 - (ii) The ERF or stand numbers where services are rendered to recipient indigent debtors;
 - (iii) The total household income of recipient indigent debtors; and
 - (iv) The number of dependants residing on the property of the recipient indigent debtor;
 - (v) The List of above registered indigents is to be displayed on the notice board; for the perusal by lords, Ward Committees, officials and members of the community.
- (f) Any resident, lord, Ward Committee member or official may, in writing, addressed to the Accounting Officer, query the qualification of a recipient indigent debtor within 21 days from the date of tabling at the meeting of the report as stipulated in section 3.3.

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(g) The Accounting Officer shall refer queries referred to in (f) above to the relevant official for Indigent Support who may take one or more of the following actions:

(i) Request the indigent debtor against whom a query has been raised to provide full proof of his or her or her/her banking account and income details as well a pension registration number;

(ii) Undertake an inspection at the indigent debtor's place of residence to determine his or her or her/her social conditions;

(iii) Request a social welfare worker's report on the indigent debtor's household; and

(h) Thereafter the official shall recommend to the Accounting Officer for submission to such action as he may deem appropriate in the circumstances including a recommendation to the :

(i) that the indigent status of the debtor be suspended for a defined period and subject to such conditions as it may determine;

(ii) that irregular or excess payments of indigent subsidies be recovered from the indigent debtor by way of debiting such indigent debtor's services and rates account or accounts with such payments;

(iii) that normal credit control measures be applied to the indigent debtor in accordance with the 's Credit Control and Debt Collection Policy; and

(iv) that criminal charges of theft or fraud be instituted against the indigent debtor.

(i) The Accounting Officer must, in writing, advise a complainant who lodges a query against an indigent debtor in terms of (h) above of this or her or her Policy of the result of the investigation.

(j) The indigent status of a debtor cannot be withdrawn, suspended or altered until and unless such debtor has been given an opportunity to be heard and make representations on the allegations against him or her.

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6. REGISTRATION PROCEDURE – NEW AND REVIEWED APPLICATIONS

6.1 A debtor should make application for indigent benefits at the nearest Local Municipal office (Endumeni , Msinga ,Nquthu & Umvoti) on a prescribed application form.

6.2 The application process shall be as follows:

(a) The application form shall be completed by the applicant and Municipal official if necessary.

(b) The completed application form will be signed by the applicant and municipal official.

(c) All required documentation must be submitted simultaneously with completion and signature of application.

(i) Certified copies of Identity Document of all occupants/ residents/ dependants of indigent household to be produced

(ii) Original Municipal account

(iii) Proof of income/grants of all occupants/ residents/ dependants of indigent household.

(iv) Proof of employment status or low income or reduction in income of any member of the household;

(v) Proof of inability to work of any member of the household.

The application and all supporting documents would then be submitted to the Municipality's finance department for endorsement and approval. If the applicant is approved the applicant will then be treated as an Indigent customer.

Consolidated report must be submitted, by the Local Municipality to Umzinyathi District Municipality, per ward of:

- (a) Applications received
- (b) Applications approved
- (c) Applications declined
- (d) Indigent defaulters

An annual renewal notification in terms of laid down timetable, shall be processed by the District Municipality.

7. SUBSIDY

Shall annually, determine the overall subsidy for indigent and other debtors within budget process and financial constraints

7.1. Indigent subsidies may be granted on:

- Water charges (100 % or full subsidy),
- Sanitation\sewer charges (100 % or full subsidy),

7.2. All registered indigent households will, on approval, be designated as:

- Indigent and shall be charged the determined economical tariff or charge for a service applicable to their designation.

7.3. The indigent household's monthly account will be credited with the amount of the indigent subsidy as determined by the budget according to their designation.

7.4. Subsidy allocations

An indigent household shall qualify to receive subsidised services on the following terms and conditions:

Water and sanitation\sewer Charges

Indigent consumers shall be subsidised to the extent determined annually by Council.

8. BUDGETING FOR INDIGENT SUPPORT

The municipality must annually budget for the total indigent subsidy to be granted to indigent debtors in terms of this Policy. Such amount must, upon approval of the budget be reflected against a separate vote in the name of indigent subsidy.

The total value of indigent subsidies for all subsidised services and rates must be reflected against such indigent subsidy vote on a monthly basis.

9. REVIEW AND AMENDMENT OF POLICY

This has been the discretionary power to amend any clause, stipulation or tariff embodied in this Policy in the interests of all the parties concerned at the annual budgetary review of policies in conjunction with the consideration of the annual budget.

10. COMMUNICATION STRATEGY AND SKILLS DEVELOPMENT

With the aid of Ward Committees, embark on an extensive community communications programme aimed at informing communities of the contents of this policy and the duty on them to pay service charges and contribute to the funds of the Municipality.

They should endeavour to support and, within its capacity, access skills training and other education related programmes aimed at developing the indigent to become self-sufficient and thereby reducing the rate of indigence.

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11. APPEAL

(a) An indigent household application, which has been declined, may appeal against such decision.

(b) The appeal must be in writing and lodged with the Accounting Officer within 14 days after receipt of the notification setting out:

- (i) The reason for the appeal
- (ii) Any other documentary proof in support of the appeal.

(c) The appeal shall be decided:

- (i) Within 21 days after lodgement of the appeal;
- (ii) Strictly in terms of the provisions of this policy;
- (iii) By three officials from Community and Social Services, designated by the Accounting Officer.

(d) The decision of the committee is final and the appellant shall be notified of the outcome in writing.

12. OFFENCES

Any applicant who misuses the indigent support policy of the or provides incorrect information to the Municipality and or tampers with the supply of services or municipal installations shall be subject to forfeiture of indigent status, criminal prosecution and other measures as determined by the within the Credit and Debt Collection Policy.

13. ARREARS ON INDIGENT ACCOUNTS

The value of write-off on arrears of indigent accounts will be as per Council resolution from time to time.

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14. NOTICES AND DOCUMENTS

A notice or document issued in terms of this policy shall be deemed to be duly issued if signed by an employee duly authorised to do so.

If a notice is to be served on a person in terms of this policy, such service shall be effected by:

- (i) Delivering the notice to him personally;
- (ii) By delivering the notice at his or her or her/her residence or to a person apparently not less than eighteen years of age and apparently residing or employed there;
- (iii) If he has nominated an address for legal purposes, by delivering the notice to such an address; or
- (iv) By registered or certified post addressed to his or her or her last known address.
- (v) If service cannot be effected in terms of the aforesaid sub-sections by affixing it to the principal door of entry to the premises, or displaying it on a conspicuous place on the land.

15. COUNCIL APPROVAL

This policy was approved by Council at a meeting held on

The Municipal Manager

Date: