

## Letsemeng Local Municipality



## Indigent Support Policy

Approved by Council:

**Letsemeng Local Municipality  
Indigent Support Policy**

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## **Letsemeng Local Municipality Indigent Support Policy**

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### **1. OBJECTIVE**

- 1.1 Due to the level of unemployment and subsequent poverty in the municipal area, Council take cognisance of the fact that there are households which are unable to pay for normal municipal services.
- 1.2 Therefore, Council adopts this indigent support 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.

### **2. PURPOSE**

- 2.1 In terms of section 74 of the Local Government Municipal Systems Act 2000, a Municipality must adopt and implement a Tariff Policy. In terms of section 74(i) of the Act in adopting a Tariff Policy, the municipality should at least take into consideration the extent of subsidisation of tariffs for poor households.
- 2.2 Therefore, the purpose of the indigent policy is to ensure:
  - 2.2.1 The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council;
  - 2.2.2 To provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using the Council's budgetary provisions received from Central Government, according to prescribed policy guidelines.
- 2.3 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:
  - 2.3.1 Setting tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery; and
  - 2.3.2 Determining appropriate service levels

### **3. QUALIFICATION FOR INDIGENT SUPPORT**

- 3.1 Households where verified total gross monthly income of all occupants over 18 years of age does not exceed two times the official state monthly old age pension, (currently R1 140 x 2 = R2 280.00 per month) or such other amount as the Council may from time to time determine, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will

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additionally receive 6 kilolitre of water per month and 50 kilowatts of electricity per month free of charge.

- 3.2 However those Indigents falling within the jurisdiction of ESCOM as a service provider will get the free 50 kilowatts from ESCOM who must in turn bill the municipality.
- 3.3 Only households where the Accountholder or Property Owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents shall qualify for the above concessions.
- 3.4 For a household to qualify for subsidies or rebates on the major service charges (see the heading "application of the policy" below), the registered indigent must be the full-time occupant of the property concerned, and if not also the owner of the property concerned, may not own any other property, whether in or out of the municipal area.
- 3.5 For a household to qualify for a rebate on rates, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.
- 3.6 Indigent support shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent. Registration must be renewed in each registration programme if relief is to continue.
- 3.7 To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies.
- 3.8 The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.
- 3.9 Indigent registration will take place annually and the status of indigent is conferred for a period of not more than twelve months after which re-application must be made.

### **4. APPLICATION OF THE POLICY**

- 4.1 The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.
- 4.2 In respect of water, a 100% subsidy up to 6 kilolitres per household per month will apply.

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- 4.3 However, if consumption exceeds 6 kilolitres per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6 kilolitres.
- 4.4 In respect of electricity, a 100% subsidy up to 50 kilowatts per household per month will apply.
- 4.5 However, the consumer must purchase 10 kilowatts of electricity in order to get the next 50 kilowatts free of charge.
- 4.6 If consumption exceeds 50 kilowatts per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 50 kilowatts.
- 4.7 In respect of sewerage charges and charges for household refuse removal, the relief granted shall not be less than a rebate of 100% on the monthly amount billed for the service concerned.
- 4.8 In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value above R30 000.

### **5. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT**

- 5.1 When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigent support, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.
- 5.2 The onus is on each registered indigent to advise the municipal manager, or his nominee, of such failure to comply.
- 5.3 It may happen that even with the introduction of the indigent support policy, certain households may fall into arrears in respect of the amounts due by them. The property owner or accountholder concerned will have to make immediate arrangements with the municipal manager or his/her nominee to pay off these arrears owing within a reasonable time determined by the municipal manager or his/her nominee in terms of the municipality's credit control and debt collection policy.
- 5.4 If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection policy.

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- 5.5 The relief to indigents may be withdrawn at the discretion of the municipal manager if:
- 5.5.1 A registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
  - 5.5.2 Any tampering with the installations of the municipality is detected.
- 5.6 If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigent support received from the date of such fraudulent registration.
- 5.7 Moreover, such person may not again be considered for indigent support for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.
- 5.8 Indigent support will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.
- 5.9 The indigent status of a consumer will be reviewed from time to time, at intervals as determined by Council. This could be done by either physical audit or external verification check (ITC – Credit Bureau). Should the requirements not be met, the subsidy for that consumer will be cancelled.

**6. REPORTING REQUIREMENTS**

- 6.1 The Municipal Manager or his/her nominee shall report on a monthly basis to the Mayor or Council, as the case may be, for the month concerned and by municipal ward:
- 6.1.1 The number of households registered as indigents and a brief explanation of any movements in such numbers
  - 6.1.2 A quarterly consolidated report must be submitted, per ward to Council showing:
    - (a) Applications received
    - (b) Applications approved
    - (c) Applications declined
    - (d) Indigent defaulters;
  - 6.1.3 The monetary value of the actual subsidies and rebates granted;

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- 6.1.4 The budgeted value of the subsidies and rebates concerned; and
- 6.1.5 The above information cumulatively for the financial year to date.
- 6.2 The Mayor shall submit the above reports on a quarterly basis to the Council and to the municipality's ward committees, or monthly to any ward committees if so requested.

**7. CRITERIA FOR ACCEPTANCE**

- 7.1 An indigent debtor shall apply for indigent benefits on the prescribed application form and in terms of the laid down procedures of Letsemeng Municipality and the applicant shall agree to the following:
  - 7.1.1 To appear personally before the designated official with the application form and documentation required for verification purposes.
  - 7.1.2 To the valuation by the Municipal Valuer of the residential property for which application is made (applicable if applicant is owner)
  - 7.1.3 Annual resubmission by the applicant of the application to the municipality at least before the end of June of each year or on the anniversary of the granting thereof and/or on a date determined by and communicated to the applicant.
  - 7.1.4 That the onus shall be on the approved indigent debtor to inform the municipality of any change in his or her status or personal household circumstances within two weeks of the changes.
  - 7.1.5 Failure to comply herewith shall result in the debtor's indigent status being revoked.
- 7.2 Letsemeng Municipality or its representative shall have the right to:
  - 7.2.1 Verify the details provided by an applicant for indigent support;
  - 7.2.2 Undertake house visits by Councillors, Ward Representatives, municipal staff or accredited agents of the municipality to confirm the indigent's claim and living conditions.
  - 7.2.3 Where an indigent debtor is found to be living at a standard inconsistent with his or her indigent application or fails to allow access or provide any further information as may be required by the municipality, such debtor's indigent benefits may be cancelled at the discretion of the Accounting Officer retrospective to the date of approval.

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7.2.4 Re-evaluate all indigent households after a period of one year or when deemed necessary.

**8. Other Matters**

8.1 For the purposes of transparency the municipality, shall kept a register of all indigent households at Revenue Section of Budget and Treasury Office containing:

- a) The names of indigent debtors receiving indigent relief for a prescribed period;
- b) The erf or stand numbers where services are rendered to recipient indigent debtors;
- c) The total household income of recipient indigent debtors; and
- d) The number of dependants residing on the property of the recipient indigent debtor;
- e) The List of above registered indigents is to be displayed on the notice board; for the perusal by Councillors, Ward Committees, officials and members of the community.

8.2 Any resident, Councillor, 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.

8.3 The Accounting Officer shall refer queries referred to in 8.2 above to the relevant official for Indigent Support who may take one or more of the following actions:

- a) Request the indigent debtor against whom a query has been raised to provide full proof of his or her banking account and income details as well as pension registration number;
- b) Undertake an inspection at the indigent debtor's place of residence to determine his or her social conditions;
- c) Request a social welfare worker's report on the indigent debtor's household; and

8.4 The official shall recommend to the Accounting Officer for submission to such action as he may deem appropriate in the circumstances including a recommendation:



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- a) that the indigent status of the debtor be suspended for a defined period and subject to such conditions as it may determine;
- b) 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;
- c) that normal credit control measures be applied to the indigent debtor in accordance with the Credit Control and Debt Collection Policy; and
- d) that criminal charge of theft or fraud be instituted against the indigent debtor.
- e) that the Accounting Officer must, in writing, advise a complainant who lodges a query against an indigent debtor in terms of 8.2 above of his or her Policy of the result of the investigation.
- f) That 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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**9. Adoption of Policy**

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Municipal Manager  
**LETSEMENG LOCAL MUNICIPALITY**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mayor  
**LETSEMENG LOCAL MUNICIPALITY**

\_\_\_\_\_  
Date

**COUNCIL RESOLUTION NUMBER.....**