

RANDFONTEIN LOCAL MUNICIPALITY



INDIGENT SUPPORT POLICY

Preamble

- (a) The provision of free basic social services by local government is part of the broader social agenda and anti-poverty strategy of government.
- (b) Government at all levels has a constitutional obligation to take measures towards the realization of the social and economic rights of all people as contained in the Bill of Rights in Ch2, section 27 of the South African Constitution, 1996 (Act No. 108 of 1996). These rights include, *inter alia*, health care, water, education, housing, food, social security and the environment.
- (c) The aforementioned should therefore not be viewed in isolation of measures such as social grants, free primary health care, housing, promotion of small, micro and medium enterprises, etc. taken by other spheres of government as part of an integrated national poverty alleviation strategy.
- (d) Section 97(1)(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) states that a municipality must provide in its debt collection and credit control policy for indigent debtors in a manner that is consistent with its rates and tariff policies and any national policy on indigents.
- (e) In terms of the South African Constitution, indigent debtors, or the poorest of the poor, should have access to basic services.
- (f) Indigent debtors are those municipal clients who are not able to fully meet their obligations for services consumed and property taxes on their monthly accounts.
- (g) The consumption of metered services by the indigent debtors must be maintained at manageable levels to increase the affordability of service charges.
- (h) Criteria for the identification of poor households must be clear and transparent.

1. OBJECTIVE

- 1.1 The purpose of the Indigent Support Policy is to ensure that at a local government level, and as part of the national policy on poverty alleviation, indigent households have access to basic municipal services.

2. DEFINITIONS

Indigent debtor	A person or group of persons in a household who are not able to fully meet their obligations for services consumed and property taxes on their monthly accounts.
household	A family unit (mother, father, children, grandchildren, grandparents, cousins, uncles and aunts) that lives together and jointly contributes to the upkeep of the household.
Income	Includes all sources of income whether formal or informal, e.g. social grant, informal trading, rental, interest from investments, policy payouts, received by an applicant for an indigent status.

3. CONDITIONS FOR REGISTRATION FOR INDIGENT STATUS

- 3.1 In the determination of tariffs on the annual budget, the affordability level of assistance to indigent debtors will be determined by the Council.
- 3.2 The person making an application to be considered as an indigent customer must consent to technical adjustments to limit the supply of the metered services to make current monthly consumption more affordable.
- 3.3 The applicant agrees to accept the limited level of service and to stay in the program for at least 12 months. The applicant may after the expiry of this period reapply to remain on the scheme.

- 3.4 The applicant must notify Council immediately should his/her financial position change or if any of the mentioned criteria are not being met, thus enabling Council to reconsider the status of the household as an indigent household.
- 3.5 The Municipality reserves the right to visit the premises of an applicant at any reasonable time for the purpose of verifying the information on an application whenever it is deemed necessary.
- 3.6 Normal rates, fees and the requirement to pay an account will apply, should a household account exceed the scheme benefits.
- 3.7 Council reserves the right to review and revise the scheme conditions, criteria and benefits, as it deems necessary and must review the scheme at least annually.
- 3.8 Disqualification as a result of tampering with any meter, electricity and/or water, would result in immediate removal from the indigent support scheme and render the account holder liable for the immediate payment of all benefits received. Failure to pay the account immediately would result in the account being handed over to the municipal lawyers for collection.
- 3.9 Notwithstanding the above, Council reserves the right to exclude applicants from the Scheme after consideration by the Mayoral Committee.

4. CRITERIA FOR REGISTRATION AS AN INDIGENT DEBTOR

- 4.1 A private residential household can only be registered or remain registered as an indigent if it meets the following requirements:
 - 4.1.1 The total gross monthly income of all the members of the household does not exceed an amount of R2,500-00;

- 4.1.2 The applicant, as well as any other member of the household, does not own other fixed property than the one on which they reside;
- 4.1.3 The improved municipal value of the property on which the household resides must be less than three times the value of the lowest available house in the Randfontein Local Municipality.
- 4.1.4 The occupant(s) of the property - who is in legal occupation and with the consent of the owner – have a gross income that does not exceed R2,500-00;
- 4.1.5 Occupants of a deceased estate who have total gross monthly income that does not exceed R2,500-00.

5. WHO MAY APPLY FOR ASSISTANCE?

- 5.1 The account holder must apply in person and must reside on the property in respect of which assistance is sought.
- 5.2 The applicant must not own more than one fixed property within Gauteng Province. This includes ownership of Title Deed, Deed of Sale of Ownership and Occupation.
- 5.3 A tenant, who has registered a separate account to that of the owner of the property, can apply for the benefits in respect of the charges he/she is billed for and the landlord will still be liable for all ownership related charges such as property rates and taxes.
- 5.4 The account of a deceased estate may be subsidized under the scheme, if the surviving spouse and/or dependants of the deceased, who occupy the property, apply for assistance. Qualification as an indigent household does not vest the applicant with ownership of the property as such will be a matter for decision by the courts. All other conditions of the scheme will still apply.

6. PROCEDURES FOR REGISTRATION

- 6.1 A debtor may apply, through the indigent support office, for the status of an indigent client by completing a screening form available from the debtors section in the Finance Department.
- 6.2 The completed form must be forwarded to the Department of Social Services in the Municipality, which must verify the information submitted and compile a report to be forwarded to the Finance Department.
- 6.3 The Chief Financial Officer will evaluate the information contained in the application form and the report filed by the Department of Social Services using the criteria set out in this policy to determine the status of the applicant.
- 6.4 The Department of Social Services is responsible for keeping a complete register of indigent households.
- 6.5 The Department of Social Services is also responsible for monitoring the indigent household to confirm that their status has remained the same and to report any changes that may have a bearing on their indigent status.

7. BENEFITS TO INDIGENT DEBTORS

7.1 Rates and Services

- 7.1.1 A household that has been classified as being indigent would receive 100% rebate on assessed property rates and taxes.
- 7.1.2 The indigent household will also receive a 100% rebate on non-metered services, i.e. refuse collection and sewerage
- 7.1.3 The household will as a standard receive the following services for

free:

- (a) 100 kWh of Electricity; and
- (b) 10 kilo liters of water

7.1.4 Where the size of the household is evaluated to be more than seven individuals, the Municipality may at its discretion increase the amount of the free services to ensure that the individuals receive acceptable levels of service.

7.2 Indigent Support Scheme Benefits

7.2.1 The Municipality will take reasonable precautions within its means to ensure the minimization of loss or wastage of services at indigent households by installing a prepayment-type electricity and water meter free of charge; and

7.2.2 The Municipality will also limit the consumption of services thereby increasing the affordability of monthly levies for that portion of services that is not discounted or exempted.

7.2.3 In an attempt to make services more affordable to the indigent household, the following additional measures will be implemented:

(a) Electricity

- (i) A **30 ampere** circuit breaker will be installed to limit the usage of electricity thereby lowering the levy for that service on the current account.
- (ii) The Randfontein Local Council may consider, depending on affordability and availability of funds,

installing alternative energy sources at the indigent household to reduce their reliance on paid services.

(b) Water

- (i) Metered water services would be reduced to 10 kl's per month flow rate, or the rate determined as being acceptable, for the indigent households to address the affordability of their current monthly accounts.

7.2.4 The Technical Department will annually determine the required focus areas and budget for the management of service wastage or loss at indigent households.

7.2.5 The indigent are entitled to all other benefits in terms of any other approved policies of Council.

8. ARREARS OF INDIGENT DEBTORS

- 8.1 If the application for registration as an indigent household is successful the arrears will then be parked for that financial year and at the end of each year considered for writing off by the Council.

9. AFFORDABILITY OF SERVICES

- 9.1 No credit control measures will be instituted against the indigent for as long as the discounted monthly levies are paid in full.

10. EXITING THE PROGRAMME

- 10.1 In the event that an indigent debtor applies to be de-registered within a period shorter than 12 months, such request will be considered by the Finance Department. If it is established that the request is due to the fact that the indigent debtor failed to disclose certain information, all benefits which were

accorded to the indigent debtor upon registration, will be written back to the services account and appropriate legal action will be considered.

- 10.2 Upon the expiry of the 12 months period the indigent debtor may apply to be de-registered. The application for de-registration will be administrated by the Department of Social Services who will advise the Finance Department accordingly where after the Finance Department will be requested to restore the full services at the property.