

# INDIGENT MANAGEMENT POLICY

## DEFINITIONS

- Municipality:** **Mogale City Local Municipality**
- Approved Registration Point:** Civic Centre, c/o Commissioner & Market Streets, Krugersdorp and any other point defined by the Mogale City Local Municipality as may be necessary.
- Basic Municipal Services:** Means municipal services that are necessary to ensure an acceptable and reasonable quality of life, if not provided would endanger public health or safety of the environment.
- Department:** Means the Departments: **Social Services, Financial Services, Infrastructure Services and the Office of the Chief Operating Officer** of Mogale City Local Municipality that **have** been tasked with managing the Indigent Support Programme.
- Free Basic Services:** **The monthly services that shall be supplied free of charge to an Indigent Household as resolved by Municipal Council from time to time currently including:**
- **6 kl of water.**
  - **50 kW/h of electricity when less than 150 kW/h is utilized per month.**
  - **Sanitation Services.**
  - **Assessment Rates.**
  - **Indigent Burials as per the Indigent Burial Policy approved by the Council.**
- The provision of the above services shall be applicable where Mogale City Local Municipality is the provider of such services.**
- The cost of the services so provided shall be computed according to tariffs accepted by Council during the budgeting process.**
- Household:** Household is a registered owner, occupier or tenant. **Should a group of people live together, even if not related, they will be regarded as one household linked to one Municipal account.**
- Indigent:** Any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times government pension grants as prescribed by the Department of Health and Social Development or in line with the National Indigence Framework issued by the Department of Local Government (DLG), who qualify, according to the Policy, for rebates/remissions or a services subsidy. Examples hereof

include pensioners, the unemployed and child-headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts. Any other Government grant received by such households will not be considered as additional income.

- Indigent Management System:** An electronic or any other management system used by the Municipality for the management of the Indigent Register.
- Poverty:** Poverty is defined within the context of a poverty datum line. For purposes of the Municipality, poverty is defined within the context of an Indigent Household.
- Programme Officer:** An official duly authorized by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible for assessment, screening and site visits, and for recommending applicants for approval/disapproval of indigent support.
- Tenant:** Registered occupant of a property owned by the Municipality, or an individual/family sharing the same property with the legal owner, who may or may not be related to the owner, and who has the responsibility to pay for the Municipal Services consumed.
- Occupier:** **A person who lives on land which does not belong to him/her and who has permission from the owner to be there on or after the 4<sup>th</sup> February 1997 (ESTA Act 62, 1997).**
- Vulnerable Person:** **Means a consumer occupying land legally and with the consent of the owner, but to which the consumer does not have title; or over which the consumer does not hold a lease providing security of tenure.**
- Stakeholders:** **A committee that comprises of relevant councilors, relevant ward committee members, staff and/or service provider, whose function is to assist with collection of data, capturing of such collected data, assessment and making recommendations.**
- IPIMEC:** **Indigent Policy Implementation Management and Evaluation Committee is a committee that comprises of Member of the Mayoral Committee serving in the Social Cluster and relevant officials, whose function is to approve, implement, manage and evaluate the Indigent registration process.**
- Verification Officer:** **An official duly authorized by the Municipality, or an employee of a Service Provider appointed by the Municipality, to assist with the management of Indigents, Indigent applications, verification and oversight over the Indigent management process.**
- Short Term Assistance:** **Given to a person who is temporarily unemployed or hospitalized without income or receives income that defines**

him/her as indigent for a period to be reviewed every six months.

## PURPOSE OF THIS POLICY

The purpose of the Policy is to provide a **framework** and structures to support poverty alleviation within the Municipality by providing a support programme for the subsidization of basic services to indigent households.

## THE POLICY OBJECTIVES

The objective of this Policy will be to ensure the following:

- The provision of basic services to the approved indigent/vulnerable members of community in a sustainable manner within the financial and administrative capacity of the Municipality.
- Establish the framework for the identification and management of indigent households including an economic rehabilitation plan where possible.
- The provision of procedures and guidelines for the subsidization of basic **services**.

## LEGISLATIVE FRAMEWORK

The Policy is based on the following legislation:

- South African Constitution Act, Act no. 108 of 1996 (Section 27).
- Municipal Systems Act, Act 32 of 2000.
- Municipal Property Rates Act, Act 26 of 2004.
- ESTA. Act 62 of 1997.
- Water services by law.
- Credit Control and Debt Collection Policy.
- **Indigent Burial Policy.**
- Any other relevant Policy or by law as may be passed/amended by Council from time to time.

## QUALIFICATION CRITERIA

Persons who are claiming indigent status (i.e. an inability to pay assessment rates and service accounts in full) must qualify in terms of the following criteria:

- Applicant must be a South African citizen.
- Must have a valid South African Identification Document or any other acceptable proof of South African citizenship.
- Must be a Mogale resident.
- Must be the owner, tenant, occupier/vulnerable person who receive Municipal services.
- An Indigent may only derive benefit from one property.
- An occupier/vulnerable person must have secured the permission for occupancy from the owner.

The Indigent Management Committee will assess each case on merit and advise the Municipality accordingly.

**The Municipality reserves the right to register a household as Indigent.**

## ASSISTANCE PROCEDURES

### 1.1 Communication

Ensure that a communication plan is developed and that details of the Indigent Policy are communicated in an easily understandable manner to the community served by the Municipality.

### 1.2 Application/Registration

An applicant must complete an official/indigent support application form supported by the following original/certified documents:

- Identity Document
- Current Municipal account.
- If unemployed an affidavit declaring lack of proof of income.
- Copy of a Bank statement where applicable.
- Any other grant income received.
- **A letter of authority where applicable.**

In the absence of required documentation as stated above, acceptable **supportive** affidavits may be considered.

The signing of the Indigent application form, if approved, will entitle the applicant to an allocation of free basic services as defined in this Policy.

**N.B.** As part of the application, the applicant must be willing to give consent for external scans and credit bureau checks and consent to the installation of any form of prepaid meters (water and electricity).

### 1.3 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:

(a) Indigent Management System Check

The information on the Municipality's Indigent Management System must be checked to determine whether an applicant is already registered within the system as well as to determine dates when these existing applicants should be reviewed.

(b) Data Capturing

The Indigent registration data must be captured in an Indigent Management System as per the application forms or as automatically identified on the Municipality's Financial System. The record must then be flagged in the system as being an "application in progress".

(c) Verification – Site Visit

The Indigent Management System must assign an application to a duly appointed Verification Officer to perform an on-site verification.

The Verification Officer must then verify the registration application, complete a questionnaire which contains the inventory. The applicant must then sign the completed questionnaire. The Verification Officer then assesses the application and recommends that the application be considered for further investigation using an External Scan (see (d) below).

This information shall be entered into the Indigent Management System within 72 (seventy two) hours after receiving the information from the Verification Officer.

(d) Verification – External Scans

An external scan of applicants recommended as suitable candidates for an Indigent grant, must be concluded with UIF, SARS, Department of Welfare, Retail and Credit Bureau. The external scan must immediately follow the process after the information from the site visitation has been captured. The information of the external scan must then also be captured in the Indigent Management System within 72 (seventy two) hours after receiving the information from the Verification Officer.

The external scan must be done separately from the site verification.

#### 1.4 Recommendation

Once the verification has been completed, the Indigent Management System must generate a recommendation based on the information captured in the data base. Those applications that qualify for Indigent support in accordance with the system are then to be referred to the IPIMEC for final approval.

#### 1.5 Indigent Committee

Indigent Committees must be established to collect data, capturing of such data, assessment and making recommendations on indigent support to applicants. The Indigent Committee must be established to comprise of Councillors, ward committee members, **officials of the Municipality and the service provider.**

The Indigent Committees must meet at least **twice a month.** It must consider each recommended application; assess it in terms of the application and any other knowledge or information which members may have in respect of the applicant.

The recommended application must then be captured in the Indigent Management System. The date which the record was submitted to the Indigent Committee should be noted in the system in order to track the status of the application within the process.

In the event that the application is declined, it must be captured as such in the Indigent Management System, and a letter should be sent to the applicant informing them of the disapproval.

In the event of a successful application, the Indigent Management System should be updated to show this, the system should be flagged to indicate that the application has been approved and a letter should be sent to the applicant informing them of approval of their application.

The system should generate bi-annually a list of all successful indigent applications received.

## 1.6 Indigent Policy Implementation, Management and Evaluation Committee

IPI MEC must be established to receive data, approve/disapprove and ensure the implementation, management and evaluation of the Indigent Management Process. The committee shall comprise of Members of the Mayoral Committee and relevant officials, and will be chaired by the MMC for Social Upliftment.

The IPI MEC shall meet at least **twice a month** to deal with applications tabled before them.

The system should generate, on a bi-annual basis, a list of site visits to be performed of the registered indigents, and assign these to a Verification Officer. The Indigent Management System must evaluate each visit and any changes must be noted when re-submitted to the Indigent Committee.

IPI MEC shall do the following:

### Monitoring

- Ongoing monitoring of the execution of the Policy so as to determine its effectiveness and efficiency.
- Inputs from various affected stake holders inclusive of Councillors, Ward Committee Members and affected admin officials will assist in the monitoring process of the Policy implementation.

### Quality Management

- Management of quality of the current basic services as defined in the Policy.
- Systems and processes of reporting, monitoring and reviewing the Policy.

### Reporting

- All information captured during monitoring and quality assessment period of this Policy.

### Evaluation

- A questionnaire will be developed to help assess the customer/client satisfaction in line with the Policy.

### Review

- In line with the information that would have been collected during the monitoring, quality assessment, evaluating and reporting.

## FREE BASIC SERVICES

Free Basic Services for Indigents would be incorporated in the following Council documents:

- Credit Control and Debt Collection Policy.
- Indigent Burial.
- Subsidized rates – as per Municipal Property Rates Act.
- Free Basic Water.
- Free Basic Electricity.
- Refuse Removal.
- Free Basic Sanitation.

## REPORTING AND QUALITY MANAGEMENT

**Quarterly** reports shall be submitted by the Department: Social **Services** with financial cost implications to **relevant** Portfolio Committees and to the Mayoral Committee on progress made regarding administration of the Indigent registration process.

Reports should report on costs, quality, effectiveness of the system processes, time frames for registration of applications and review of approvals.

## EXTENT OF INDIGENT SUPPORT

The extent of the Indigent support granted by Council to indigent households in the Municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges for that specific financial year as adjusted in the budgetary process.

- Maximum of 6 kilolitres of water.
- Maximum of 50 kW/h of electricity. **Consumption not to exceed 150 kW/h.**
- Credit towards monthly refuse collection charges.
- Credit towards monthly sewerage charges, provided this is part of the Municipality's waterborne sewerage system.
- A credit towards assessment rates on residential property.

The subsidy for the above should be in line with the Municipality's tariffs which will change from time to time as tariffs increase.

The following forms of assistance could also be given to indigent households:

- The accounts of successful applicants, for those who qualified, should be flagged to prevent credit control measures.
- No interest should be charged on arrears.
- The accrued arrears of an Indigent household should be placed in a suspense account and be reviewed annually during the review period/process.
- The account of an Indigent household that applied for an Indigent Grant should be credited with an amount totaling the cost of free basic services.

## SHORT TERM ASSISTANCE

An Indigent household in temporary distress may be assisted for a period not exceeding six months under the following circumstances:

- Temporary unemployment.
- Hospitalization.

Indigents in this category will be re-assessed on a quarterly basis.

## PROCESS MANAGEMENT

### Validity Period

Validity period of assistance will be for a maximum period of **24** months. Households must re-apply at the end of the **24** months.

### **Death of Registered Applicant**

In the event that the approved applicant passes away, the heir/s of the property must re-apply for Indigent support, provided that the stipulated criteria are complied with.

Where households qualified automatically, benefits of Indigent households will be automatically passed on to the heirs of the deceased.

### **Publication of Register of Indigent Households**

A register of Indigent Beneficiaries must be maintained.

Written objections from the public must be referred to the Department: Social **Services** who will be responsible for forwarding the complaints to the IPIMEC for consideration.

### **Under-usage of Allocation**

If the level of consumption of the Indigent household is less than the consumption level approved by the Municipality, the household cannot claim or accrue the unused portion of the benefit, be it in cash or rebates.

### **Excess Usage of Allocation**

If the level of consumption of the Indigent household exceeds the consumption level approved by the Municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Accounts not settled on a monthly basis will be subject to Credit Control measures.

### **Termination of Indigent Support**

Indigent support will be terminated under the following circumstances:

- Death of an account holder, except if the account is transferred to an heir who qualifies in terms of the Criteria outlined in this Policy.
- At the end of the 24 month cycle, except in the case of pensioners and child-headed households.
- Upon sale of the property.
- When circumstances in the Indigent household have improved in terms of a gross income of or exceeding the combined income of two government pension grants, except child/disability grants received.

### **Comment**

**The Municipality reserves the right to reassess circumstances of any household registered as Indigent including to review and revise the entire Policy, criteria and benefits.**

### **Exit 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. The expectation of this clause excludes pensioners and child-headed households.

## **BUDGETING FOR INDIGENT SUPPORT**



The Municipality shall include in its annual budget the amount required for Indigent subsidies in line with the respective Policy and By-laws. Such amount shall be increased annually, based on the Equitable Share plus the amended rates and tariffs for the particular financial year, and credited directly against the monthly services accounts of approved indigents.

### **NON-COMPLIANCE**

If the applicant is found to have falsely disclosed about his/her personal circumstances, the following will apply:

- All arrears will become payable immediately.
- Stringent credit control measures will apply; and
- The applicant will not be eligible to apply for this assistance for a period of 5 years.

### **Comment**

In areas where metered consumption is billed, the applicant will be responsible to pay for water usage exceeding **free** 6 kl of water and/or 50 kW/h of electricity.

### **AUDITING**

A three monthly auditing must be conducted regarding the indigent register, usage rate of allocations and credit control measures applied.