



**UNITY IN DEVELOPMENT**

**EMALAHLENI LOCAL  
MUNICIPALITY**

**INDIGENT POLICY**

Date Adopted :

Date Revised :

Date of Implementation :

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## 1. Introduction

Due to the level of unemployment and poverty within the municipal area, there are households who are unable to access or pay for assessment rates and/or basic municipal services. Arising from the foregoing, the Council designed and approved this indigent support policy that provides for the procedures and guidelines for the subsidisation of assessment rates and/or basic municipal services provided to indigent households.

## 2. Definitions

In this policy, the words used in the masculine gender include the feminine, the singular includes the plural and vice versa unless the context indicates otherwise.

**'Applicant'** means the owner or occupier of immovable property, who applies for an indigent subsidy;

**'Assessment rates'** means any amount levied and payable in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004)

**'Arrangement'** means an agreement entered into between the municipality and a debtor in terms of which payment terms for the settlement of an outstanding debt are agreed upon and expressly stipulated;

**'Chief Financial Officer'** means the official accountable and responsible to the municipal manager for the implementation, administration and enforcement of the municipality's indigent support policy;

**'Child-headed Household'** means a household where the parents of that household are deceased due to whatever reasons and the remaining members are all minor children (age younger than 18 years)

**'Credit control and debt collection policy'** means the policy regulating all the functions relating to the collection of monies owing by the consumers of municipal services;

**'Household'** means all occupants and their dependents residing in an immovable property;

**'Immovable property'** includes any piece of land, the external surface boundaries of which are delineated on –

- a general plan or diagram registered in terms of Land Survey Act, 1997 [Act No. 8 of 1997] or in terms of the Deeds Registries Act, 1937, [Act No. 47 of 1937];
- a sectional plan registered in terms of the Sectional Titles Act, 1986 [Act No. 95 of 1986];
- an undivided share in land; any right in such land situated within the area of jurisdiction of the municipality;
- any right in land in accordance with a land tenure right determined by an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004; situated within the area of jurisdiction of the municipality

**'indigent applicant'** means the head of a household –

- 1 who makes application for indigent support in terms of this policy, and
- 2 Who shall be regarded as the representative of all members of his or her household.

**'Indigent support policy'** means the indigent support policy approved and adopted by the Municipality;

**'Indigent support programme'** means a structured programme for the provision of indigent support subsidies to qualifying indigent applicants in terms of the Municipality's indigent support policy

**'Month'** means a month as reflected on a municipal account for assessment rates and municipal service

**'Municipal services'** means services provided either by the municipality or by an external agent in terms of a service delivery agreement, and shall include the provision of water, sanitation, refuse removal and electricity;



**'Municipality'** means the Emalahleni Local Municipality established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 [Act No. 117 of 1998] and includes any political structure, political office bearer, councillor, duly authorised agent thereof or any employee thereof acting in connection with this policy by virtue of a power vested in the Municipality and 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 -

- the spouse of the owner of immovable property, which is used by such
- spouse or
- owner as a dwelling at any time, shall be deemed to be the occupier thereof;
- where both spouses resided on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;

**'Owner'**, in relation to immovable property, means –

- the person in whom is vested the legal title thereto provided that –
- the lessee of immovable property which is leased for a period of not less than 50 (fifty) years, whether the lease is registered or not, shall be deemed to be the owner thereof; and
- the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;
- having land tenure right in accordance with an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004;
- 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 manager, as the case maybe;

- 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 rent in respect of such property; or
- if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

**'Service charges'** mean the fees charged by the Municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges imposed in terms of the municipality's credit control and debt collection policy;

**'Tariff'** means a schedule of taxes, duties, levies or fees which may be imposed by the Municipality for municipal services provided by itself or another institution or person in terms of a service delivery agreement;

**'Tariff policy'** means the tariff policy approved and adopted by the municipality.

### 3. **Objective**

The objective of this policy is to guide the council and municipal officials in ensuring that poor households have access to basic services in a sustainable manner. The policy aims to achieve this objective by providing guidelines on;

- The criteria for qualification as indigent
- Procedures to recover arrears on municipal debt
- Mechanisms for providing subsidy where conventional municipal services are not available.
- Registration as indigent
- Exit strategy for indigents



#### 4. Qualification Criteria

- 4.1 A debtor is considered indigent if the verified total gross monthly household income of all occupants over 18 years of age is **equal to or less than an amount of two government pension grants**. These households qualify for a subsidy on selected range of municipal service charges as determined by council from time to time. Subsidy on property rates will be in terms of the Municipal Property Rates Act, 6 of 2006 (MPRA)
- 4.2 Child-headed households will also qualify for indigent support in terms of this policy.
- 4.3 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 subsidies provided in terms of this policy.
- 4.4 For a household to qualify for subsidies or rebates provided in terms of this policy, 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.
- 4.5 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.

#### 5 Conditions for Acceptance

The applicant shall agree to the following;

- 5.1 To the installation of a prepaid electricity meter by council.
- 5.3 To the valuation by the municipal valuer of the residential property for which application is made (applicable if applicant is owner)

## 6 Appeal

6.1 An indigent household whose application has been declined, may appeal against such decisions.

6.2 The appeal must be in writing and lodged with Municipal Manager within 14 days after receipt of the notification setting out:

- The reason for the appeal
- Any other documentary proof in support of the appeal

6.3 The appeal shall be decided:-

- Within 21 days after lodgment of the appeal;
- Strictly in terms of the provisions of this policy;
- By three officials designated by the Municipal Manager

## 7 Arrears

Once a debtor is approved as an indigent debtor the arrear debt outstanding at the time of approval shall be written-off.

## 8. Provision of subsidy where conventional municipal services are lacking

Council will endeavor, subject to affordability, to provide alternative forms of support (e.g. Alternative energy) to indigent households where conventional municipal services are not provided.

## 9. Financial Constraints

Indigent households will be subsidised in accordance with this policy subject to the Council funding being available from time to time.



## **10. Registration**

- 10.1** A debtor should make application for indigent benefits at the nearest Municipal office on the prescribed application form (see attached Annexure B).
- 10.2** To register as an indigent, the relevant property owner or account holder must personally complete and sign the registration form (Annexure B) and furnish such further documentation as the municipality specifies. 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. Registration will take place on dates and at times and places determined by the council, but shall generally be undertaken during January and/or February each year.
- 10.3** Indigent households must reapply every 12 months in order for Council to determine whether or not their financial circumstances have changed. Failure to comply with this requirement will result in the Indigent status being revoked and standard tariffs and/or charges being reinstated, where applicable.
- 10.4** Applicants for indigent support must produce written proof of household income, for each member of the household indicating unemployment or low income or reduction in income and/or medical certificates confirming inability to work, that is acceptable to Council. All documentation must be supported by a sworn affidavit. This documentation should be current, i.e. not more than one month old and should be submitted with the application form.

## **11. Investigation**

- 11.1** Council reserves the right to verify details provided in section 10 above.
- 11.2** Councillors, Ward Committees, Council staff or its accredited agents may undertake house visits to confirm the indigent's claim and living conditions. Where an indigent debtor is found to be living at a standard inconsistent with his indigent application or fails to allow access or provide any further information as may be required, the

indigent benefits may be cancelled at Council's sole discretion retrospective to the date of approval.

## **12 Overall subsidy**

Council shall, from time to time, determine the overall subsidy for indigent debtors based, inter alia, on the principles referred to in the National Indigent Policy Framework and or any other Government Indigent or Free Basic Services policy guidelines or legislation.

This amount may include subsidies on rates electricity, refuse removal, and any other service provided by the municipality.

## **13 Property Rates**

- 13.1** The monthly indigent subsidy for rates will be based on the approved indigent subsidy amount as per the tariff structure as determined by Council from time to time and will at all times be in compliance with the Municipal Property Rates Act, 6 of 2006 (MPRA).

## **14 Electricity**

- 14.1** The Indigent debtor will, on approval of his/her application for indigence, be transferred to a prepaid energy dispenser on terms acceptable to Council from time to time.

## **15 Refuse Removal**

- 15.1** Where subsidy is provided for refuse removal, the indigent debtor / household will be granted a monthly subsidy amount for refuse removal as determined by Council from time to time.
- 15.2** The indigent debtor / household will be responsible for payment of the difference between the subsidy granted and the standard tariff determined by Council for the method of refuse removal in that area.
- 15.3** If the monthly refuse removal charge is less than the value of the Indigent subsidy, the subsidy will be limited to the value of the refuse removal charge.



## **16 Indigent Support Committee**

The Municipality may establish a committee, to be known as the Indigent Support Committee, for the purpose of administering its indigent support programme. The committee will be made up of the portfolio head for finance and one councillor who is a member of the portfolio committee for finance as well as the municipality's FBS Coordinators. Such committee shall;

- 16.1** Scrutinise and assess, with the aid of ward councillors, all applications received for indigent support in terms of the municipality's programme.
- 16.2** Make recommendations to the municipality on its scrutiny and assessment of applications received.
- 16.3** Monitor, in conjunction with ward councillors, ward committees and other persons or organisations that may be appointed by the Municipality, the implementation of the indigent support programme, subject to the policy directions of the Municipality and in consultation with the Municipal Manager;
- 16.4** Recommend to the Municipality any amendments, additions or changes in procedure in respect of the application of the Municipality's indigent support programme;
- 16.5** Undertake such inspections it may deem necessary in order to verify the information provided by an indigent;
- 16.6** Perform such duties as the Municipality may direct, provided that the Municipality may delegate any of its responsibility in terms of the indigent support programme to this or any other committee, either wholly or in part and subject to such conditions as the Municipality may determine.

## **17 Budget for Indigent Support**

- 17.1** The chief financial officer of the municipality, or such other designated municipal official as may be authorised from time to time, shall on an annual basis and by no

later than 1<sup>st</sup> March of each year obtain information from indigent households to enable the municipality to make financial provision in its budget to subsidise owners and / or consumers in terms of its indigent support policy.

- 17.2** In a three year cycle the Municipality shall undertake research, by means of questionnaires or whatever means it may deem suitable, to assess the indigent levels within its jurisdiction.

## **18 Communication Strategy and Skills Development**

- 18.1** The council shall, with aid of ward committees, embark on an extensive community communications programme aimed at informing communities of the contents of this policy and duty on them to pay services charges and contribute to the funds of the municipality.

## **19 Exit Strategies for Indigents**

The municipality acknowledges that the financial circumstances of indigents may improve from time to time. The following processes are put in places in order for indigents to exit from the indigent support program;

### **By the Municipality**

- All indigent households are required to re-apply after every twelve months to remain on the indigent register. The municipality will, as part of the application verification process, determine whether an applicant still meets the criteria to qualify as indigent or not. Where the criteria are not being met, the applicant will be notified in writing within 90 days of the application being received.
- The municipality will, as outlined in its IDP, endeavor to intensify its efforts to improve the socio-economic situation of the area so as to create more job opportunities for unemployed.
- The municipality will, through its Local Economic Plan, target those registered as indigents, with special focus on those younger than 60 years of age, so as to enable them to improve their socio-economic situation by becoming self-sufficient.



#### By the Indigent

- Indigent households and individuals are free to apply to be removed from the indigent register should they feel that their economic circumstances have improved. This should be done by notifying the municipal manager in writing.

## 20 Review and Amendment of Policy

The council has the discretionary power to amend any clause, stipulation or tariff embodied in this policy in the interest of all parties concerned at the annual budgetary review of council policies.

#### Effective date of the policy

This policy is effective at the date when approved by the Municipal Council.

Signed by Municipal Manager and Speaker.

  
DR SW VATALA  
MUNICIPAL MANAGER

30/06/2017  
Date

  
CLR DS KALO  
HON. SPEAKER