**INKOSI LANGALIBALELE LOCAL MUNICIPALITY**



 **APPROVED INDIGENT POLICY**

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27. **DEFINITIONS**

In this Policy, unless the context otherwise indicates, a word of expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) and other related legislations/Regulations, has the same meaning as in that Act.

**“Accounts”** mean statement of moneys received.

**“Accounting Officer**” means the municipal official referred to in section 60 of the MFMA.

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

 **“Application for indigent”** means a resident in charge of a household and who is responsible for payment of municipal charges and whose combined household income is equal to or less than the amount as determined by the Council to qualify for indigent status and has made application to the Council and is accepted to be classified as an indigent;

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

 **“Bank Accounts”** are the recognized statement of financial holdings on behalf of The Municipality.

 **‘basic municipal services**’ means a municipal service that is necessary to ensure an acceptable and reasonable quality of life that if not provided, would endanger public health or safety or the environment. For the purposes of this framework

 **“Basic Municipal Services**” refers to the following services rendered and subsidized by municipality: water and sanitation, electricity/ alternative energy and refuse removal.

 **“Cash”** means money, such as bank notes, coins or cash equivalents.

 **“Chief Financial Officer”** means a person designated in terms of section 80(2)(a) of the MFMA.

  **“Child headed household”** refers to a household where both parents are deceased and where all occupants of the property are children of the deceased and all are under the legal age to contract for services and are considered as minors in law by the state;

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

 **“Consumer”** means any occupier of premises to which the Council has agreed to provide or is actually providing any municipal service, or if there is no occupier, the owner of the premises concerned.

**“Consumption”** means the ordinary use of municipal services for domestic or household purposes;

**‘Free Basic Alternative Energy’** means any other form of basic energy excluding

electricity and solar home systems deemed necessary to support the basic energy

needs of an indigent household as determined from time to time and funded by the

government.

**“Household”** means a registered owner or tenant with or without children who reside on the same premises

**“Indigents”** means owners and/or occupiers of residential property where the combined municipal value of the land and buildings or the vacant land value of such property is equal to, or less than, the values determined by resolution of the Council;

 **“Indigent burial/ cremation”** means indigent burial/cremation refers to any burial/cremation of an indigent (in terms of this policy), motivated by a ward councillor, excluding a pauper.

 **‘indigent register’** means the municipal list of indigent customers as per the municipal policy, which has to be updated on a monthly basis, designed to contain all the data contained within completed indigent application forms.

**“Municipal Entity”** means: *(a)* a private company referred to in section 86B (1) *(a)*;

*(b)* a service utility; or

*(c)* a multi-jurisdictional service utility;

**“Municipality”** means the Inkosi Langalibalele Local Municipality.

 **‘Municipal tariff’** means a tariff for a service which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff.

 **“Municipal value”** means the total combined value of land and buildings on a property, as reflected in the municipal valuation roll;

 **‘Occupier’** means any person who occupies any premises or part thereof, without regard to the title under which he or she so occupies

 **“Owner”** means the person in whom from time to time is vested the legal title to the property;

 **‘Poor household’** refers to a house and its occupants regarded as a unit or the people in a family or other group that are living together in one house but cannot afford to sustain or afford basic services for themselves, including biological/foster/adopted children

 **“Rates”** means property rates on property in the Municipality; any other tax, duty or levy imposed by the Municipality.

 **‘Representative’** means the Board of Trustees/Managing Agents of retirement centres and old age homes

 **‘Restricted service levels’** - refers to metering and billing system that restricts the household’s consumption of free basic service to the predetermined level allocated to a particular household.

1. **LEGISLATIVE FRAMEWORK**

This framework is designed and implemented within the contexts, but not limited to other prescripts:

(a) the Constitution of the Republic of South Africa, 1996;

(b) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

(c) the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);

(d) the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);

(e) the Property Rates Act, 2004 (Act No. 6 0f 2004);

(f) the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

(g) the Local Government: Municipal Structures Act 2000, (Act No. of 2000);

(h) the Local Government Municipal Systems Act 2003 (Act No. 32 of 2003);

(i) the Free Basic Alternative Energy Policy 2007;

(j) the Free Basic Electricity Policy 2003;

(k) the Free Basic Water Implementation Guideline for Local Authorities 2002;

(l) the Free Basic Water Implementation Strategy 2007: Consolidating and Maintaining;

(m) the National Policy for the Provision of Basic Refuse Removal Services to Indigent Households 2011;

(n) the Local Government Equitable Share Municipal Demonstration Spreadsheet for 5 year (2013/14 to 2017/18 financial year).

1. **PURPOSE OF THE POLICY**

In terms of section 74 of the Local Government Municipal Systems Act 2000, the Council of the Municipality must adopt and implement a Tariff Policy. In terms of section 74(i) of the Act in adopting a Tariff Policy, the Council should at least take into consideration the extent of subsidization of tariffs for poor households. Arising from the above procedures and guidelines for the subsidization of basic services and tariff charges to its indigent households.

 **The purpose of this framework is to ensure that:**

(a) the equitable share for indigent budget allocation benefits the poor households to improve their social, economic and development conditions.

(b) there is proper and consistent indigent management by all municipalities within KZN province.

(c) there is proper accountability on the use of Indigent Budget Allocation.

(d) the indigent policy of the municipality has fraud prevention measures to ensure that only qualifying households benefits from Free Basic Services allocation.

(e) free basic services are provided to the community in a sustainable manner within the financial and administrative capacity of the Council.

(f) free basic services are financially stabilised through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation.

(g) a framework for the identification, verification and management of indigent households is established including a socio-economic analysis and the indigent exit strategy.

(h) procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households are provided.

(i) co-operative governance with other spheres of government is a achieved, and

(j) the institutional and financial capacity of the municipality to implement the policy is enhanced

1. **QUALIFICATION CRITERIA FOR INDIGENT SUPPORT**

In order to qualify for indigent support the following criteria must be met:

* 1. Applicant must be over 18 years. Households where verified total gross monthly income of all occupants must not exceed a total of two (2) state old age pensions excluding any other state grants.
	2. The applicant must be a resident of the municipality.
	3. All households that are child headed, even if they are below eighteen (18) years of age can apply for the indigent support.
	4. Indigent support will apply to all households whose total monthly income is less than or equal to the above-mentioned amount, irrespective of the source of income.
	5. 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.
	6. Applicants shall be:
1. Citizens of the Republic of South Africa in possession of a valid South African Identity Document or South African birth certificate in favour of child headed household applicants.
2. Resident at the premises for which application is made within the Inkosi Langalibalele Municipality.
3. In possession of a service agreement and or monthly statement with Inkosi Langalibalele Municipality in the name of the indigent.
4. Do not own more than one property, whether in or outside of the municipal area.
5. All households applying for Free Basic Electricity must have electricity connected to the household;
6. All Households with no electricity connection should be provided with alternative energy
	1. Proof of income: applicants for indigent support must produce written proof acceptable to the Municipality of:
7. Household income/grants for each member of the household;
8. Employment status or low income or reduction in income of each member of the household;
9. Inability to work of each member of the household;
10. All minor members of the household.
	1. 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.
11. **CRITERIA FOR ACCEPTANCE**
	1. A resident shall apply for indigent support on the prescribed application form provided by the Municipality for this purpose.
	2. The applicant shall agree to the following:
12. To appear personally before the designated official with the application form and documentation required for verification purposes.
13. To the valuation by the Municipal Value of the residential property for which application is made (applicable if applicant is owner).
14. Annual resubmission by the applicant of the application on the anniversary of the granting thereof and/or on a date determined by and communicated to the applicant. Failure to comply herewith shall result in the indigent’s status being revoked.
15. That the onus shall be on the approved indigent to inform them of any change in his or her status or personal household circumstances and within two weeks of the changes.
	1. The Municipality shall have the right to:
16. Verify the details provided by an applicant for indigent support;
17. Undertake house visits by Ward Representatives**,** staff or accredited agents to confirm the indigent’s claim and living conditions.
18. Where an indigent 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 indigent’s support may be cancelled
19. Re-evaluate all indigent households after a period of one year
20. For the purposes of transparency the Municipality, shall keep a register of all indigent households containing:
21. The names of indigent’s receiving indigent relief for a prescribed period;
22. The erf or stand numbers where services are rendered to recipient indigent’s~~;~~
23. The total household income of recipient indigents; and
24. The number of dependants residing on the property of the recipient indigent;
25. The List of above registered indigents is to be displayed on the notice board; for the perusal by Ward Committees, officials and members of the community.
26. Any resident, Ward Committee member or official may, in writing, addressed to the Accounting Officer, query the qualification of a recipient indigent within 21 days from the date of tabling at the meeting of the report
27. The Accounting Officer shall refer queries referred to in (f) above to the relevant official for Indigent Support who may make one or more of the following actions:
28. Request the indigent debtor against whom a query has been raised to provide full proof of his/her banking account and income details as well as pension registration number;
29. Undertake an inspection at the indigent’s place of residence to determine his/her social conditions;
30. Request a social welfare worker’s report on the indigent’s household; and
31. There after the official shall recommend to the Accounting Officer for submission to such action as he may deem appropriate in the circumstance including a recommendation:
32. That the indigent support be suspended for a defined period and subject to such conditions as it may determine;
33. That irregular or excess payments of indigent subsidies be recovered from the indigent by way of debiting such indigent’s services and rates account or accounts with such payments;
34. That normal credit control measures be applied to the indigent debtor in accordance with the Credit Control and Debt Collection Policy; and
35. That criminal charges of theft or fraud be instituted against the indigent
36. The Accounting Officer must, in writing, advise a complainant who lodges a query against an indigent in terms of (h) of the result of the investigation.
37. The indigent’s status cannot be withdrawn, suspended or altered until and unless such indigent has been given an opportunity to be heard and make representations on the allegations against him/ ~~or~~ her.
38. **REGISTRATION PROCEDURE – NEW AND REVIEWED APPLICATIONS**
	1. A resident should make an application for indigent support at the nearest Municipal Office on a prescribed application form.
39. Registration must be undertaken three months before the beginning of each financial year.
40. The onus for applying for indigent subsidy, in terms **of this policy**, rests

with the consumer who has low income and cannot afford to pay the full municipal tariff for rates and services received.

1. The onus of ensuring that indigent budget allocation is spent on indigent households rests with the municipality who has the responsibility to identify indigent households, provide and maintain services, and implement an indigent exit strategy.
2. An indigent application must be done on a specific council application form obtainable from service centres designated at their respective areas.
	1. The application process shall be as follows:
3. The application form shall be completed by the Municipal Official and the applicant
4. The completed application form will be signed by the applicant in the presence of the Municipal Official. The programme officers must provide the applicant with a reference number during application and verification phases.
5. All required documentation must be submitted simultaneously with a completed ~~ion~~ and signed application.
6. Original Identity Document of all occupants/ residents/ dependants of indigent households to be produced and copied;
7. Proof of residence;
8. Proof of ownership or Lease of the premises where the applicant is not yet connected to electricity, or water, or sewer;
9. Original Municipal account.
10. Proof of income/grants of all occupants/ residents/dependants of indigent household.
11. Bank statement where applicable;
12. Proof of employment status or low income or reduction in income of any member of the household.
13. Copy of a certified Government grant card (state pensioners, disability, foster etc.)
14. Proof of inability to work of any member of the household.
15. A sworn affidavit to the effect that all information supplied is true and that income from all sources has been declared;
	1. The application and all supporting documents would then be submitted to the Municipality’s finance department for endorsement and approval. The applicant will then be treated as an Indigent consumer.
	2. A quarterly-consolidated report must be submitted, per ward each meeting of:
16. Applications received
17. Applications approved
18. Applications declined
19. Indigent defaulters

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

* + 1. Programme officers must visit the applicant’s household to verify the correctness of the information provided on the application form, which may include verification of unemployment status of household members including that of biological/foster/adopted children with Trans-union, South African Revenue Services, Compu-Scan (verification of people in the employ of the State); residential addresses of household members including that of biological/foster/adopted children with Home Affairs.
		2. The Accounting Officer must, on recommendations by the Chief Financial Officer approve or disapprove the submitted application forms and also approve the list of identified indigent beneficiaries and determine the subsidy amount granted as per the indigent policy.
		3. Once the forms are captured on the municipal indigent database the indigent management system must generate a recommended draft indigent register that must be dealt with in terms of the municipal indigent management system guidelines and this policy.
		4. All applicants must be informed in writing about the outcome of their applications, which should also include the date of commencement and termination of the subsidy, where applicable.
		5. The subsidy must only be valid for a period of 12 months where after the consumers who occupy or own the property must re-apply.
		6. The re-application for indigent support must be done before the end of March each year.
		7. State pensioners and disabled beneficiaries need not re-apply for the support.
		8. The re-application for indigent support must be screened before granting approval, where the consumer’s account for water and or electricity:-
1. exceeds the free basic service approved by the council over a 12 month period, and
2. is not paid up to date, according to the Credit Control and Debt Collection by-laws.
3. The reapplication should not be approved unless the applicant has made an arrangement with the municipality to settle the outstanding debt.
4. An applicant who is the registered household owner living within the municipal jurisdiction who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal with the council in line with the municipality’s appeals processes.
5. In the event that the approved applicant is deceased, the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met as per the municipal indigent policy.

**7. INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES**

Indigent consumers living in retirement centres or old age homes are eligible to qualify for assistance and support in terms of the municipal policy, subjected to the following rules and procedures:

(a)The onus is on the Property owner to apply to the municipality for indigent status to be granted in respect of charges related to property rates.

(b)The institution’s representative must submit applications to the Chief Financial Officer

(c) The Free Basic Services unit must verify all applications and notify the representative or the property owner, whether the application was successful or not, with regard to property rates, water and electricity consumption; and the respective amounts determined by the municipality.

(d) The Chief Financial Officer must credit the monthly municipal accounts with water, electricity and sewerage charges of the Retirement Centre or Old Age Home, where the municipality serves as a provider.

(e) The amount credited must be calculated by dividing the total number of kilolitres of water consumed by the number of units in the complex, but up to a maximum of 200 litres of water per day for each unit that qualifies for assistance.

(f) The institution’s representative must, in respect of monthly water credits allowed under indigent support:

(i) ensure that such credits are off-set against the monthly levies of the relevant individual units;

(ii) provide proof to the Chief Financial Officer that the monthly levies of units which qualify for assistance, have been adjusted by the amounts of credits to the account of the Retirement Centre or Old Age Home. Such information must be provided once every six months, or at such intervals as may be determined by the municipality.

**8. TARGETING APPROACH**

(1)Municipalities in consultation with community based public participation structures mustadopt and implement an approach that:

(i) meets its diverse needs;

(ii) is cost effective and sustainable;

(iii) maintains consistency and equal treatment of indigent households; and

(iv) ensures that all and only indigent households are the beneficiaries of the programme.

(2) (a) Approaches that must be considered by municipalities when providing free basic services are attached hereto as annexure A, and the specific approaches for free basic water and basic electricity are found under annexure B.

(b) The following are additional approaches that municipalities must consider:

(i) Property value, as an indication of the level of household wealth, and hence income;

(ii) Means testing, applied with targeted credits or subsidy to those households which are below a household income threshold;

(iii) Plot size, using a charge based on plot size, with a zero rating for properties under a determined threshold;

**9**. **SOURCES OF FUNDING**

(a)The council must provide funds annually on the budget for the subsidization of indigent households on water, sanitation, electricity, refuse removal and burial services.

(b) Funds are already allocated to the municipality to fund the implementation of free basic services and for the free basic alternative energy program through the equitable share grant disbursed by the National Treasury to municipalities.

(c) Some of these funds are classified as free Basic Electricity, and where no electricity infrastructure exists, these funds must be channelled to fund free basic Alternative Energy.

(d) The municipality must make provisioning in its expenditure budget for the alternative energy for cooking and lighting, in areas where there are no immediate plans to electrify, including areas where energy poverty is prevalent.

(e) Free basic service subsidies must be determined during the compilation of the annual budget and must be calculated by dividing the budget provision for indigent support by the number of applications already approved less 10 percent.

(f) The ten percent of the provision held back may be used to finance applications received after the budget date.

(g) The subsidy must only be credited to the qualifying customer’s accounts until the amount provided on the budget by the municipality has been exhausted whereupon no further credits must be made.

(h) Indigent households may be required to convert to prepaid electricity meters, the cost of which must be met by the municipality through the Equitable Share fund.

(i) Existing indigent arrears on rates, tariffs and services charges must be written off against the provision for bad debts in line with the municipality’s credit control and accounting policies.

**10**. **EXTENT OF INDIGENT SUPPORT**

(a) The extent of the monthly, indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

(b) Subsidised service charges must be limited to water, refuse removal, electricity, sewerage disposal and burial services.

(c) Assessment rates in respect of residential property registered in the name of a qualifying indigent owner must be subject to the maximum amount as determined by Council from time to time.

(d) Where a customer’s consumption or use of municipal service is less than the subsidised service, the unused portion may not be accrued and the customer is not entitled to a cash rebate in respect of the unused portion.

(e) Annual service charges on the indigent’s account must automatically be converted to monthly instalments.

11. **REQUEST FOR INDIGENT/ PAUPER BURIAL/ CREMATION ASSISTANCE**

Any family of a registered indigent who applies for indigent burial/ cremation assistance will be required to submit the following documents as proof:

* 1. Applicant’s Identity document SA green barcoded ID.
	2. Deceased’s Identity document SA green barcoded ID or Deceased’s birth certificate.
	3. Death certificate of the deceased.
	4. Affidavit by South African Police Services (SAPS) as proof by the family member or relative declaring that they cannot afford to bury/ cremate the deceased due to a lack of income.
	5. Confirmation letter from Ward Councillor.

**12. BURIAL / CREMATION BENEFITS**

* 1. The Municipality will provide the family of a registered indigent with an amount of R1000- R1600(subject to change as per review) for assistance with the burial/ cremation.
1. **SUBSIDY**

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

* 1. Indigent subsidies may be granted on:
1. Rates (100 % / full subsidy),
	1. All registered indigent households will, on approval, be designated as:
2. Indigent and shall be charged the determined economical tariff or charge for a service applicable to their designation.
	1. 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.
	2. Subsidy allocations

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

1. Property Rates
2. All indigent owner of properties used for multiple purposes, provided one or more components of the property are used for residential purposes would receive a limited reduction on the rateable value of the property (currently capped at R15 000) as provided for in section 17 (1)(h) of the Property Rates Act No. 6 of 2004.
3. Indigent who resides in a property which value exceeds the exemption amount as provided for in the Property Rates Act as designated from time to time shall be subsidised to the extent determined annually by the Council.
4. **BUDGETING FOR INDIGENT SUPPORT**
	1. The Municipality must annually budget for the total indigent subsidy to be granted to indigents in terms of this Policy. Such amount must, upon approval of the budget of the Municipality, be reflected against a separate vote in the name of indigent subsidy.
	2. The total value of indigent subsidies for all subsidised services and rates must be reflected against such indigent subsidy vote on a monthly basis.
5. **FREE BASIC SERVICES SOCIAL PACKAGE OR INTEGRATED BASIC SOCIAL SERVICES AND PROVISION**

### (1)The municipality must determine the suitable social package for its indigent beneficiaries.

### (2) The social package may be extended to include households where eligible applicants are not municipal account holders and registered indigent households in rural areas. The social package comprise of the following:

###  (b) Electricity - all approved beneficiaries for the indigent support automatically qualify for Free Basic Electricity on 60Amps supply under the following conditions:

(i) approved indigent registered household must receive electricity fully subsidised at a minimum of 50 kWh per month.

(ii) where an indigent consumer’s consumption of municipal services is less than the subsidized service or free basic services, the unused portion must not be accrued by the customers and the customers must not cash or receive a rebate in respect of the unused portion.

(iii) indigent households in informal settlements within the municipal jurisdiction where limited or no electricity is available, the municipality must provide alternative energy sources for lighting and cooking.

(c) Alternative energy – municipality has an obligation to identify a suitable energy sources for its community and ensure its effective distribution to the identified indigent households, it must give energy to the estimated value of R105.22 (2017) as a minimum to an un-electrified indigent household. The figure should increase on an annual basis by the inflation rate plus 1.5% or by the figure to be determined by The Department of Energy.

 (d) Property rates - approved indigent households must be fully subsidised for property rates as provided in the municipal annual budget and be subjected to the provision of the Municipal Property Rates Act 2006. Approved indigent households accounts must have the interest indicators flagged and included in the arrears which are to be written off in terms of the municipal indigent policy.

(e) Burial Services – approved indigent households must be fully subsidies for burial services as provided in the municipal annual budget and be subjected to the provision of the Municipality’s Burial Policy.

(f) Refuse Removal - approved indigent households must be fully subsidised for refuse removals in the annual budget

(3) Depending on annual tariff changes and council’s resolution, indigent customers must contribute towards the payment of their accounts.

1. **REVIEW AND AMENDMENT OF POLICY**

The Council has 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.

Department of Cooperative Governance and Traditional Affairs must be review the framework on the indigent households every three years, subject to major changes in the demographic, social and economic conditions of communities and individual households. The reviewed framework must be endorsed by the Executive Committee of the Department of Cooperative Governance and Traditional Affairs.

1. **COMMUNICATION STRATEGY AND SKILLS DEVELOPMENT**
	1. The Council shall, 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.
	2. The Council 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.
	3. The municipality must develop a free basic services communication and implementation strategy through which communities must be informed and educated about the indigent programme in line with this framework and its implementation.
	4. Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for the free basic services subsidy as well as the services that are rendered in general. The following are methods of communication that must be used, but not be limited to:

(i) ward committees;

(ii) Traditional leaders, where applicable

(iii) Community based organisations;

(iv) local radio stations and newspaper;

(v) municipal accounts;

(vi) preparation of a separate notice to accompany the annual report publication;

(vii) izimbizo and road shows;

(viii) public participation structures; and

(ix) jamborees where government and municipal officials are made available to assist residents with the following certified copies that must be attached to applications.

1. **APPEAL**
	1. An indigent household application, which has been declined, may appeal against such decision.
	2. The appeal must be in writing and lodged with the Accounting Officer within 14 days after receipt of the notification setting out:
2. The reason for the appeal
3. Any other documentary proof in support of the appeal.
	1. The appeal shall be decided:
4. Within 21 days after lodgement of the appeal;
5. Strictly in terms of the provisions of the policy;
6. By three officials from Community and Social Services, designated by the Accounting Officer.
	1. The decision of the committee is final and the appellant shall be notified of the outcome in writing.

**19. ARREARS AND EXCESS USAGE OF ALLOCATIONS**

(a) Upon registration as an indigent household, the arrears on the account of the applicant must be kept pending for a period of up to six months after which it may be written off, interest may be calculated on the arrears as contemplated.

(b) If the applicant exits from the indigent support programme within the six (6) months period the arrears must be re-introduced in the account and be subjected to the credit control and debt collection policy of the municipality.

(c) Council may from time to time decide to write-off indigent arrears. No further legal action must be taken on such indigent arrears.

(d) Customers who qualify for an equitable share subsidy must be placed on restricted service levels in order to limit further escalation of debt.

(e) Where a qualifying customer’s account is paid in full at the date of application, or after receiving the subsidy, and regularly maintains a paid up monthly account including any arrangements made, the restriction on service levels must be waived.

(f) Where the municipal Budget permits, customers who qualify for equitable share subsidy and are still in arrears, must be placed on the pre-paid services system where after 50% of electricity purchases be allocated to the arrear debt.

**20.** **DISHONESTY AND NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT**

1. The indigent status of a customer must be reviewed at intervals determined by Council. This must be done by either physical audit or external verification check using the data obtained from, but not limited to, Trans-union, SARS and the Department of Social Development. Where the requirements are not met, the subsidy for that consumer must be cancelled.
2. Where a registered indigent is found to have provided fraudulent information to the municipality with regard to any material condition for registration as an indigent, such person must immediately be removed from the register of indigents, and must be liable to repay the municipality with immediate effect all indigent relief received from the date of such fraudulent registration. Moreover, such a person must not be considered for indigent relief for a period of five years beyond the financial year in which the misdemeanour is detected.
3. A property owner or accountholder who has registered as an indigent and who fails to comply with any arrangements or conditions materially relevant to the receipt of indigent relief must forfeit his or her status as a registered indigent with immediate effect, and must thereafter be treated as an ordinary accountholder for the financial year concerned.
4. The onus is on each registered indigent to advise the municipal manager of any changes likely to impact or impacting on their qualifying criteria.
5. If an indigent household falls into arrears the property owner or accountholder concerned must make arrangements with the municipal manager to pay off these arrears. If these arrangements are not made, no subsidies must be paid or free services provided, and services must be terminated in terms of the municipality’s credit control and debt collection policy.

**21. OFFENCES**

Any applicant who misuses the indigent support policy of the Municipality 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 Council within the Credit and Debt Collection Policy.

**22. EXIT PROGRAM**

(a) An indigent customer must immediately request deregistration where his or her circumstances have changed to the extent that he or she no longer complies with the requirements set out in section 6 of this framework.

(b) In addition to the circumstances stated in section 6, indigent support must be terminated under the following circumstances:

(i) Upon death of the account-holder or the head of the household where no accounts are rendered.

(ii) Upon sales of the property in respect of which support is granted.

(iii) When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded.

(c) The exit strategy of indigent beneficiaries from the approved indigent register must ensure:

(i) continuous verification of the register;

(ii) involvement of all stakeholders including government departments, stakeholders involved, sector departments and private sector;

(iii) participation of members of households registered as indigent

(d) The municipality may promote exit from indigence by identifying indigents for inclusion in public works projects.

**23 NOTICES AND DOCUMENTS**

A notice or document issued by the Council in terms of this policy shall be deemed to be duly issued if signed by an employee duly authorised by the Council. If a notice is to be served on a person in terms of this policy, such service shall be effected by:

1. Delivering the notice to him personally;
2. By delivering the notice at his/her residence or to a person apparently not less than sixteen years of age and apparently residing or employed there;
3. If he has nominated an address for legal purposes, by delivering the notice to such an address; or
4. By registered or certified post addressed to his/her last known address.
5. 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.

**24. ROLES AND RESPONSIBILITIES**

(1) (a) The municipality must designate the administration of this policy to the most appropriate unit within the municipality, the Free Basic Services unit or any other unit with the similar functions.

 (b) Upon registration of an application, the Free Basic Services unit must, capture and verify all information according to the procedures vested on the municipal indigent policy and guidelines provided by the Department of Cooperative Government and Traditional Affairs.

(2)The Municipal Manager must report on a monthly basis to the Mayor for the month concerned and by municipal ward:

(a) the number of households registered as indigents and brief explanation of any movement in such numbers;

(b) the monetary value of actual subsidies and rebates granted;

(c) the budgeted value of the actual subsidies and rebates concerned; and

(d) the above information cumulatively for the financial year to date.

(3) The Mayor must submit a summation of the indigent reports submitted to him on a monthly basis by the municipal manager to the council quarterly.

(4) The municipality must submit quarterly reports regarding the execution of the policy on indigent households in the affected areas within their jurisdiction to the Department of Cooperative Governance and Traditional Affairs.

(5) The municipality must submit quarterly reports to the Department of Cooperative Governance and Traditional Affairs regarding the execution of the policy on indigent households in the affected areas within their jurisdiction in order for the Department of Cooperative Governance and Traditional Affairs to report to cabinet regarding the execution of the policy on indigent households.

**25. POLICY MONITORING**

The implementation of this policy framework must be monitored by the Department of Cooperative Governance and Traditional Affairs

**26. POLICY ADOPTION**

This policy has been considered and approved by the **COUNCIL OF THE Inkosi Langalibalele LOCAL MUNICIPALITY** as follows:

Resolution No:………………………….

Approval Date:......................................