

INDIGENT POLICY

1. DEFINITION OF AN INDIGENT

Indigents are defined as those people, due to a number of factors, who are unable to make monetary contributions towards basic services, no matter how small the amounts seem to be.

Any household earning less than the amount stated by the Financial and Fiscal Commission from time to time qualifies to be registered as indigent. Typical examples are pensioners, students, the unemployed, disabled persons, single parents, etc.

Consumers owning property with a value greater than R400 000.00 will not be regarded as indigent.

2. REGISTRATION OF INDIGENT

Registration points should be made publicly known and be accessible.

A uniform registration form must be used in order to reach a common objective. After

the application form has been completed, an effective and efficient evaluation system must be used in order to obtain the outcome within a reasonable time.

If a person is found to be indigent this must be registered in a database linked to a debtors system.

This database must be regularly updated and audit trails of all changes must be kept and checked on at least a monthly basis.

All indigents shall be re-evaluated within a maximum period of two years.

Should an indigent's status change, then he/she must immediately notify the "indigents" office.

Any consumer submitting fraudulent information will be liable for prosecution.

3. INTERVENTION BY SOCIAL DEVELOPMENT

In the interviewing process, during evaluation, cognizance must be taken of ages of the members of the families in order to determine who are physically fit. Skills and abilities of each of these members must be written down in order to group together people with the same interest and skills. If the skills are not suitably developed, special training courses will be given in capacity building.

Once these skills are adequately developed, specific programmes will be developed to make people self-sufficient – e.g. shoemaking, gardening, painting, catering, etc.

The main objective in this would be to develop entrepreneurial skills for people enabling them to provide for themselves .Education in how to use less water and electricity should be part of this intervention.

The Procurement policy ,already adopted , will encourage large community participation through the approach to source labour and other suppliers locally and joint ventures with SMME's

Regional consultative forums between government , business sectors and labour must also be formed . At such forums , an attempt must be made to deduct payment for services directly from salaries. At the same time , businesses must be lobbied to adopt labour intensive method of production

4.COMMUNICATION

The community must be informed and the processes must be transparent to all .A policy must be supplied equitable and with fairness through the area of jurisdiction .The end result must be focused on at all times, depending with whom one is in contract with. Favours must be avoided at all times.

Communities must be treated with respect and be motivated by an Incentive based Approach rather than a punitive approach . In order to ensure that all indigent households are communicated to abroad based approach which combines both, a blanket coverage and a targeted one must apply.

5. MAXIMUM CONSUMPTION LEVELS FOR INDIGENTS

A benchmark that stipulates a maximum consumption level that indigents may have before credit control can apply to them must be established. It must ensure that Indigent households do not consume services excessively because that will render the policy ineffective in the long run. The indigent policy must be protected against misuse and fraudulent activities.

All amounts granted for indigent assistance as per services indicated below , will be placed in an indigent suspense account.

The suspense account mentioned above be written off against either monetary assistance received from central government , especially for that purpose and / or provisions made therefore in the budget of the Local authority once national guidelines on the treatment of indigents becomes available.

Classified indigent consumers will be held responsible for any consumption over and above the subsidies levies as indicated below.

Services will be suspended to indigents who fail to pay for the services consumed over and above determined levels which are not paid for in full.

All arrears of approved indigent households be placed in the indigent suspense account.

The subsidy can be a lesser amount depending on the complement of services supplied but shall in all instances , not exceed the amount billed.

The following levels are determined as maximum service levels to be subsidies indigents:

| SERVICES | AMOUNT | VAT | TOTAL |
|--------------------------------|--------|-----|-------|
| Refuse : full charge | | | |
| Rates : full charge land value | | | |
| Electricity: no subsidies | | | |

The reason why the above subsidies be implemented are:

- The subsidies are linked to the uniform tariff structures agreed to be organized local government and it will form part of the policy for indigents.
- Electricity is , in most cases , not distributed by local authorities and will hamper uniformity if it is subsidized.
- In most cases electricity is a pre paid system and it will not be possible to process credits by journal .Cash will be used which will have far reaching implications e.g.
 - a) Cash transferred will have the effect that 14%(VAT) be paid over to the Receiver of Revenue , which will mean that council will loose a portion of the subsidy from National Government.
 - b) Further to this is that the process to pay cash accounts will place ab serious administrative burden on the administration.

Assessment Rates should not be seen as tax as the consideration of various other services like roads and storm water , clinics, libraries ,etc