



FINAL

INDIGENT POLICY

MOHOKARE LOCAL MUNICIPALITY

2015/16 FINANCIAL YEAR

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PART 1: OBJECTIVE

Due to the level of unemployment and poverty in the municipal area, there are households and citizens who are unable to access or pay for basic services. This grouping is referred to as “indigent”. A municipality therefore needs to develop and adopt an indigent policy to outline the criteria that will be used to determine who will qualify as an indigent, and to ensure that indigents who are unable to afford basic services can have access to the package of services included in the Free Basic Services (FBS) programme.

The municipality therefore adopts this indigence management policy to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government’s policy in this regard.

PART 2: WHO QUALIFIES FOR INDIGENT SUPPORT

Households where verified total gross monthly income of all occupants over 18 years of age does not exceed the monthly amount of R2 840 per month, will qualify for the benefits as set out on part 3. (See calculation that follows:

	2013/14	2014/15	2015/16
MFMA Circular No.75	5.6	5.6	4.4
	R2 570	R2 720	R2 840

Those Indigents falling within the jurisdiction of ESKOM or CENTLEC as a service provider, will get the benefit from ESKOM or CENTLEC who must in turn bill the municipality.

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 approved and entered into the register of indigents shall qualify for the above concessions.

For a household to qualify for subsidies or rebates on the major service charge (see part 3 below), the registered indigent must be the full-time occupant of the property concerned. The registered indigent may not own any other property, whether in or out of the municipal area.

In the calculation of the household income, the income earned by all adults residing within the property will be added together. All state grants, excluding a grant in respect of children, will be included in the household income.

Child headed households will be regarded as indigent.

Indigence relief shall apply for a period not extending beyond the financial (July to June) year in which the particular household is registered as indigent. Registration must be renewed annually calculated from the start of July each year.

A grace period of three (3) months after the end of each financial year is given to all indigents to renew their applications before their subsidies can be terminated as a result of non-renewal.

To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, 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 municipal manager and will generally be undertaken during April to June each year.

PART 3: APPLICATION OF THE POLICY

The subsidies on the specified service charges will be determined as part of each annual budget and in terms of the municipality's tariffs.

In respect of *water*, a subsidy in respect of the *basic charge* plus up to **6 kl** per household per metering period will apply; however, if consumption exceeds 6 kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6 kl.

In respect of *electricity*, a 100% subsidy up to **50 kWh** per household per month will apply. If consumption exceeds 50 kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 50 kWh.

In respect of *sewerage charges* and charges for household *refuse removal*, the relief granted shall not be less than a rebate of **100%** on the monthly amount billed for the service concerned.

In respect of *rates*, the amount up to **R120 000** of the valuation amount will be deducted and will be considered as a rebate.

PART 4: NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigence relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.

- the onus is on each registered indigent to advise the municipal manager when the household income exceeds R2 720 per month.
- the registered indigent fails to keep to the terms of the policy agreement; or
- the registered indigent tampers with the installations of the municipality is detected, a notice by the municipal manager will be deemed to be sufficient notice.

If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigence relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigence relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanor is detected.

Indigence relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

Should the registered indigent remains indigent for a period exceeding 12 months after the approval of the indigent status, the arrear amounts accumulated to date will be considered to be not collectable, and such amounts can be written-off subject to the approval of the council.

PART 5: COMPOSITION OF THE INDIGENT COMMITTEE

The indigent committee will consist of the following members:

- Ward Councillor - Chairperson
- Ward Assistant
- Ward Committee
- Community Development Worker (CDW)

Such a committee to be established for each town in Mohokare.

PART 6: REPORTING REQUIREMENTS

The municipal manager shall report on a monthly basis to the mayor or council, as the case may be for the month concerned:

- the number of households registered as indigents and a brief explanation of any movements in such numbers;
- the monetary value of the actual subsidies and rebates granted;

The municipal manager or mayor, as the case may be, shall submit the above reports on a quarterly basis to the council.