



NKOMAZI LOCAL MUNICIPALITY

MP324

INDIGENT POLICY

VISION

A leading Local Municipality that empowers its Communities through excellent service delivery

MISSION

To enhance the quality of life of all people in the Nkomazi Local Municipality through a sustainable developmental system of Local Government and rendering of efficient, effective and affordable services.

MUNICIPALITY'S CORE VALUES

The Nkomazi Local Municipality subscribes to the following core values:

- Accountability;
- Good Governance;
- Transparency;
- Integrity; and
- Responsiveness.

NKOMAZI POPULATION DEMOGRAPHICS

		Urban	Dense	Village	Scattered	Farmland	Total
1	Total Population	60926	0	429828	120	10634	501508
	Population per household						5.8
2	No. of household consumer units	12404	0	72275	20	1772	86472
3	No. of dry industrial consumer units	0	0	0	0	0	0
4	No. of wet industrial consumer units	0	0	0	0	0	0
5	No. of commercial consumer units	310	0	0	0	0	310
6	No. other (non-residential)	208	0	0	0	0	208
7	Total consumer units	12922	0	72275	20	1772	86990

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POLICY STATEMENT

The Nkomazi Local Municipality believes that an indigent policy should be adopted to promote social and economic development and to provide services to the poorest of the poor (Indigent Households).

AIM

To specify the framework for providing relief from the burden of rates and tariffs to registered or otherwise identified indigents.

The aim is to set clear guidelines how council will assist Indigent Households and what the roles of the different departments are.

This policy will further set broad principles, resulting in the adoption of a By-Law for the implementation and enforcement of a Tariff Policy.

OBJECTIVES

To determine which households qualify as indigent Households according to laid down criteria;

To set clear guidelines on the level of services that will be supplied to Indigent Households;

To determine the role of the department of the Chief Financial Officer and the department of the Strategy and Development Manager respectively;

To lay down guidelines on the cross subsidization and funding of the Indigent;

TERMS OF REFERENCE

Section 214(1) of The Constitution of the Republic of South Africa, Act no.108 of 1996 (hereafter referred to as the Constitution) stipulated inter alia the following:

An act of parliament must provide for – The equitable division of revenue raised nationally among the national, provincial and local spheres of government.

Section 74(2)(c) of the Municipality System Act, Act 32 of 2000 stipulates inter-alia the following: -

Poor households must have access to at least basic services through-

- (i) Tariffs that cover only operating and maintenance costs;
- (ii) Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
- (iii) Any other direct or indirect method of subsidization of tariffs for poor households;

DELEGATION

The overseeing responsibility for implementation of this policy is delegated to the Municipal Manager in terms of Section 59 of the Municipal Systems Act, Act 32 of 2000.

The responsibility for implementation is delegated to the Chief Financial Officer in terms of the Municipal Systems Act, Act 32 of 2000, as far as it is stipulated to be their individual responsibility.

RESPONSIBILITY OF NKOMAZI LOCAL MUNICIPALITY

As the sphere of government closest to the people the role that the Nkomazi

Local Municipality can play in developing the community is acknowledged and supported.

Legislation determines that the Nkomazi Local Municipality is responsible for the Supply of services at affordable levels and tariffs to consumers and to effectively Limit the accumulation of arrear debts.

The Nkomazi Local Municipality also accepts its responsibility to creatively develop ways and means to recover all arrear debts from consumers in a manner which is affordable to council and which ensures effective financial management.

All concessions that will be made to a category of consumers will be carefully considered in order to minimize the impact of cross subsidization by other groups.

Cash flow limitations will determine the extent of concessions that will be made

The onus to be registered as an Indigent Household lies with the individual consumer, and council has the responsibility to communicate the policy to the consumers.

Reviewed Indigent Policy will be implemented every after two years to revise / review the status of the registered indigents.

DEFINITION

Indigents are defined as those households who due to a number of socio-economic factors are unable to make a full monetary contribution towards services provided by Municipalities.

QUALIFICATION AS INDIGENT HOUSEHOLDS

Criteria for identification

In order to set guidelines for the identification of an Indigent Household the following criteria will be made applicable on all households within the council's area of jurisdiction:-

(a) Total household income of all occupants must be less than the equitable share which has been allocated to council (subject to annual adjustments by council or other spheres of government) per month; R1,800.00 per month

(b) The applicant must have an active account with the Municipality;

(c) The application must own a single property.

(d) Non-Profit Organisations (NGOs) within the Nkomazi Municipality

REGISTRATION

All consumers regarding themselves as being indigent should apply at the Department of Finance where the register of all these consumers will be kept on a data base form where it will be verified by their ward committees, respective ward councilor and social worker to investigate the household circumstances as indicated on the application form and these parties are jointly and severally responsible for the contents of such applications.

Further to the registration the following:

- Registration will take place from 01 November to 31 January every after two years
- All indigents consumers will have to register every after (2) two years, failing to do so will result to being deregistered.
- An unemployed person will have to provide proof of their registration as unemployed at the Department of Labour.
- A social worker's report will have to be submitted together with application form indicating the social welfare of the applicant; if such report does not exist then Council may undertake its own evaluation.
- Bank statements must be provided to motivate the application.
- The applicant's last income tax return form should be provided where available.
- Applicants must declare by means of an affidavit that they indeed are indigents.
- Applicants must take note that should their applications be successful their names will be displayed to offer the public an opportunity to comment and/or object to the registration.
- Objections by the public will be forwarded for further investigation of the applicant's socio-economic circumstances/situation.
- Fraudulent applicants will be disqualified, the subsidy granted by Council will be recovered, and legal steps will be instituted against such offender.

HANDLING OF ACCOUNTS

ARREAR DEPT

Where an account is in arrears and the debtor is registered as indigent, and remains indigent for a fixed period of 12 months, the debt is written off as irrecoverable.

CREDIT CONTROL

The Indigent Policy is linked to the Credit Control and Debt Collection Policy.

Indigents who fail to pay their accounts or keep to the terms of their arrangement will have their subsidy withdrawn and will be dealt with in terms of the Credit Control and Debt Collection Policy.

LEVEL OF SERVICES

Services will be rendered to all debtors that are regarded as Indigent but the following levels are set:

WATER

The provision of water as a free basic service will be in accordance with provisions of the policy/by-law passed/promulgated by Nkomazi Local Municipality.

Household or Non-Governmental Organizations (NGO'S) that qualified as indigent will qualify for free basic services referred to in the Tariff Policy to a maximum of 6kl water per month, hence depending on the quantity of services required exception will be considered for NGO's.

Where the consumer consumes more than 6kl between readings the full tariff will be applicable.

REFUSE

The same service will be rendered as to other households.

SANITATION

The same service will be rendered as to other households.

ELECTRICITY

The provision of free basic electricity to indigent households is available to the entire area of the Nkomazi Local Municipality, including Eskom's licensed area.

Where a consumer applies for indigent status, he/she will be informed of the consequences of their choices because they will be provided free of charge with a 10 Amp circuit breaker in terms of the Electricity Basic Support Services Tariff (EBSST).

Consequences include tripping, other possible inconveniences created by the 10 Amp circuit-breakers. Should they want to have a bigger circuit breaker they will have to pay for the upgrading

Use will also be made of the self-targeting without current limitation approach.

This means that if the consumer indicates that he/she does not want to go on the

10 Amp circuit-breakers, he/she will automatically be charged at higher tariff if he/she uses more than 150 kWh.

Only the operational and maintenance costs will be collected from consumers but for the indigent who qualifies for the free basic services a charge of R50 per month will be levied for all the services.

The first 50kWh will be free of charge, and Council reserves the right to amend

This downwards at anytime

EXCLUSIONS

Property assessment is not covered. In terms of the indigent policy

Persons with large inheritance will not be considered as indigent.

TARIFF FOR INDIGENT

Tariffs for the Indigent will be charged in terms of Council's tariff policy

ROLES OF DEPARTMENTS

(a) DEPARTMENT OF FINANCE

The Department of Finance will have the following responsibilities: -

To register every applicant in a temporary register;

To assist consumers in completing the application form;

To verify all related financial answers that was given by the applicant on the Application form;

To inform the Department of the Community Services of every new application that has been received on a monthly basis, for the department to send out social workers to verify the applicant's household circumstances;

To ensure that the applicant has an agreement with council for the rendering of services;

To ensure that the income for the household does not exceed the amount in paragraph specified above or any amendment thereof;

To ensure that no false information is provided;

To establish the Indigent Committee that will include:

- Community Development Workers (CDW'S)
- Social Workers
- Traditional Leaders
- Other departments within the municipality, which is department of Community Services and department of Municipal Works.

To inform the Department of Municipal Works of the Indigent Households at which the water flow valve must be installed to restrict the monthly water consumption to 6kl per month;

To inform the Department of Municipal Works of the Indigent households at which the circuit breaker must be reduced to a 10 Amp circuit breaker in terms of EBSST;

Ensure that tariffs are set so that the first 50 units of electricity would be free of charge.

(b) DEPARTMENT OF COMMUNITY SERVICES

The Department of Community Services will have the responsibility to liaise with the Social and Welfare Services for the purpose of helping with the processing of indigent applications.

(c) DEPARTMENT OF MUNICIPAL WORKS

The Department of the Manager Municipal Works will have the responsibility to install the water flow valve at each household, which qualifies as an Indigent Household.

They will have to install the 10Amp circuit breaker (if so requested by the debtor) at each household, which qualifies as an indigent household.

Should a debtor request an upgrading after the initial downgrading, the EEM will have to install it can provide the Department of Finance with the necessary information of such jobs done.

The Municipal Works Department will also have to indicate to consumers the disadvantages of having a 10 Amp circuit breaker and also to liaise with ESKOM with regard to technical and other related issues.

ROLE OF THE ACCOUNTING OFFICER

1.1 The Accounting Officer must report to the Executive Mayor quarterly the number of households registered as indigent.

1.2 Provide a brief explanation a brief explanation of any such movements.

REFERENCE TO OTHER POLICIES

Credit Control and Debt Collection Policy

Tariff Policy

CONCLUSION

As the sphere of government closest to the people, Nkomazi Local Municipality takes pride in presenting this Indigent Policy and hopes that through this policy Council can contribute to the improvement of the general welfare of all the people of Nkomazi.

Through the Indigent Policy this municipality will endeavor to improve the general welfare of the people of Nkomazi, by supplying services at affordable levels and tariffs and thereby limit the accumulation of arrear debts.

APPLICATION FORM: INDIGENT CUSTOMER

NKOMAZI LOCAL MUNICIPALITY

APPLICATION MUST BE ACCOMPANIED BY:

- ✓ ID Document. (Copy to be attached to the application)
- ✓ Proof of Registration as Unemployed
- ✓ Bank statements / Last Income Tax Return / any other documents of proof
- ✓ Affidavit by Employer
- ✓ Affidavit by applicant that he/ she indeed qualifies to be indigent

GENERAL INFORMATION

- ✓ This application is limited to a combined household earning R1 800.00 or less per month.
- ✓ The purpose of this application is to subsidize water, refuse and sewer charges, which have been charged by the Nkomazi Local Municipality.

SECTION A: APPLICANT INFORMATION

Indicate by making a "X" where applicable:

1. Surname

2. Names

2.1 Applicant Telephone Number

2.2 Income Tax Reference

3. Age of applicant

10-20 Years
20-30 Years
31-40 Years
41-50 Years
51-64 Years
65-and over

4. ID Number

--	--	--	--	--	--	--	--	--	--	--	--	--

5. Marital Status Single

- Married
- Divorced
- Widowed

6 Level of Education

- Primary
- Secondary
- Not Schooled
- Post Matric

7. Number inhabitant on the promises (stand) including tenants

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8. Number over 60 years / Pensioners

9. Number under 18 years (still at school/university/etc.)

10. Number over 18-60 years

Formal Employment
Self-Employment/Informal sector
Part-time Employment
Unemployed – UTF
(8+9+10)

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SECTION B: STAND DETAILS

Indicate by making a "X" where applicable

1. Account Number

2 (a) Town Name

(b) Zone

(c)Ward no.

3. Residential Address...

4. Stand no.

5. Household

Owner
Tenant
Renting from Council

6. Household

Ward
 Number of Rooms
 Number of Structures
 Type of Dwelling
 Other

Brick Shack Mud

7. Do you let part of your dwelling / stand

Yes	No
-----	----

8. Electricity

8.1 Do you have electricity meter on the stand
 8.2 Account number for electricity with GTM/Eskom
 8.3 Average monthly payment for electricity GTM/Eskom
 8.4 Do you have a prepaid meter?
 8.5 What is your meter number?
 8.6 If you have a conventional meter, why do you not pay your account, is it because:

Yes	No
R	
Yes	No

Do	
Not	
No	

not want to pay
 satisfied with Acc
 / Insufficient Income

8.7 Have you completed a Service Agreement with Council?

Yes	No
-----	----

8.8 Do you use your electricity for

Cleaning
 Cooking
 TV / Radio
 Lighting
 Heating Water
 Heating House
 Washing Machine

9. Water / Refuse / Sewerage / Assessment Rates

9.1 Do you have meter for water

Yes	No
Yes	No

9.2 Do you have regular refuse collection?

9.3 Average monthly payment

Water
 Refuse
 Sewerage
 Assessment Rates

R
R
R
R

9.4 Have you completed a Service Agreement with Council?

Yes	No
Yes	No

9.5 Do you regularly pay for these services?

9.6 If no, state reasons:

Do not want to pay
 Not satisfied with Acc.
 No / Insufficient Income

9.7 Do you have access to water?

Yes	No
-----	----

SECTION C: FINANCIAL ASPECTS

Indicate by making a "X" where applicable

1. Monthly household gross income: 0-1100

1101-1300

1301-Upwards

2. Source of income

Formal Employment

Part-time

Self-employed

Pension (old age)

Pension (Disability)

Letting of property

No income

UIF

Other (Specify)

3. How do you manage in relation to the following?

Clothing:

Food:

Shelter:

Medical Expenses:

4. Immovable Assets:

DESCRIPTION	VALUE

5. Other financial commitments e.g. furniture:

DESCRIPTION	ACCOUNT NUMBER	TOTAL EXPENSES

6. Vehicles:

DESCRIPTION	REGISTRATION

SECTION D: SOCIAL ASPECTS (OPTIONAL)

Indicate by making a "X" where applicable

1. Employment

Have you held a job for more than 6 months?
Have you ever worked before?
What type of work have you done?

Yes	No
Yes	No

.....
.....
.....

If answer to 1.3 is YES, what was the reason for the termination?

.....
.....
.....

Are you skilled in any way?
If YES, what kind of skill?

Yes	No
-----	----

.....
.....

If NO, what skill would you like to acquire?

.....
.....

2. Health Aspects

2.1 Do you have any physical or mental defect?

Yes	No
-----	----

2.2 If YES, what defect?

.....
.....
.....

SECTION E: GENERAL

Any further comments:

.....
.....

DECLARATION:

I THE UNDERSIGNED HEREBY DECLARE THE ABOVE INFORMATION TO BE TRUE AND CORRECT.

I DECLARE THAT I HAVE READ AND UNDERSTOOD THE ATTACHED TERMS AND CONDITIONS (ANNEXURE "A") AND AGREE TO ABIDE BY THEM.

.....

APPLICANT/SIGNATURE

(FINGER PRINT)

.....

DATE

.....

COMMISSIONER OF OATHS

.....

DATE

I, AS WARD COUNCILLOR HEREBY DECLARE THAT THE APPLICANT IS INDEED AN INDIGENT IN TERMS OF COUNCIL'S INDIGENT POLICY

.....

NAME

.....

WARD COUNCILLOR

.....

DATE

* * * *

SOCIAL WORKER'S REPORT

I HEREBY DECLARE THAT I HAVE INVESTIGATED THE APPLICANT'S CLAIM TO BE AN INDIGENT.

I FURTHER DECLARE THE APPLICANT'S HOUSEHOLD TO HAVE / NOT HAVE***A MONTHLY GROSS INCOME OF R1 100.00 AND LESS.

I RECOMMEND THAT INDIGENT STATUS BE GRANTED / NOT GRANTED*** TO THE APPLICANT.

.....

NAME

.....

SIGNATURE

.....

DATE

(DELETE THAT WHICH IS NOT APPLICABLE)

ANNEXURE B

TERMS AND CONDITIONS OF REGISTRATION AS AN INDIGENT

REGISTRATION

1. All applicants will have to register annually as indigent, failing which they will be de-registered.
2. An unemployed person will have to provide proof of their registration as unemployed at the Department of Labour.
3. A social worker's report will have to be submitted together with the application form indicating the social welfare of the applicant.
4. Bank statements must be provided to motivate the application.
5. The applicant's last income tax return form should be provided where available.
6. Applicants must declare by means of an affidavit that they indeed qualify to be indigents.
7. Applicants must take note that should their applications be successful their names will be advertised for purpose of objectives by members of the public.
8. Such objections will be forwarded to the social worker to again investigate the applicant's social position.

INDIGENT TARIFFS

Tariffs for the Indigent will be charged in terms of Council's tariff policy.