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## **GREATER GIYANI MUNICIPALITY**

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# **INDIGENT POLICY 2022/23 FY**

**Council Resolution: CR92 – 27/05/22 SP**

**Review Approval: CR92 – 27/05/22 SP**

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## 1. INTRODUCTIONS

As a developmental institution, the municipality is committed in supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

The municipality must therefore at all times strive to fulfil the constitutional objectives as contemplated in Section 152 of the Constitution and to meet the criteria for a credible indigent policy as laid down in the Credible Indigent Policy Assessment Framework, 2008, provided by the Department of Local Government.

The successful implementation of this policy depends totally on affordability and the social analysis of the area as should be included in the municipality's Integrated Development Planning, with regard to affordability the foundation is laid in section 74 of the Municipal Systems Act, 2000, which stipulates that poor households must have access to basic service through tariffs that cover only the operating and maintenance costs.

The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidisation of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

## 2. DEFINITIONS

- “**Arrangement**” means a written agreement entered into between the municipality and the debtor where specific repayment parameters are agreed to.
- “**Arrears**” means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.
- “**Constitution**” means the Constitution of the Republic of South Africa, Act No. 108 of 1996, as amended.
- “**Council**” means the municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa Act 108 of 1996;
- “**Credit Control**” means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services;
- “**Infrastructure**” means a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;
- “**Indigent support**” means support provided by Municipality for water, electricity, refuse removal and disposal, sanitation, rates and taxes and all related and ancillary services;
- “**Interest**” means a charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on all arrear monies;
- “**Municipal account**” means an account rendered specifying charges for services provided by the municipality, or any authorized and contracted service provider, and/or assessment rates levies;
- “**Municipality**” means the Greater Giyani Local Municipality;
- “**Municipal Manager**” means the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated;
- “**Municipal services**” means those services provided by the municipality, such as, inter alia the supply of water and electricity, refuse removal and disposal, sewerage treatment, and for which services charges are levied;

## 3. POLICY PRINCIPLES

In recognition of the above mentioned National Framework the municipality undertakes to promote the following principles:

- (a) To ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- (b) To link this policy with the municipal Integrated Development Planning, Local Economic Development initiatives and poverty alleviation programmes;
- (c) To promote an integrated approach to free basic service delivery; and
- (d) To engage the community in the development and implementation of this policy;

## 4. POLICY OBJECTIVES

The principles that underpin the development of this policy are:-

- (a) The urgent need to address the high levels of poverty in the municipality;

- (b) The Constitutional obligations of the municipality to provide basic municipal services to the poor<sup>1</sup> in a sustainable manner have their rights upheld and basic needs met while recognizing the limitations and challenges.
- (c) The municipality recognizes that indigent policies can contribute to the relief of poverty through a range of measures including indigent tariffs and taxes, direct and indirect subsidies, transfer payments or special programmes.
- (d) The main reason for making services priority actions for the indigent policy is that basic municipal services are basic needs as defined under the Constitution and the municipality has a legal responsibility to ensure affordable access to these services.
- (e) There are no legislated areas that indigent policies cover.
- (f) Typically basic needs such as access to housing, education, health and employment make up a package of services which if provided would alleviate poverty.
- (g) This indigent policy will balance the immediate needs of the poor population to have access to affordable basic services with the long term implications of failure to implement remedial measures coupled with the provision of affordable services to indigents in a financially viable manner.

## 5. SCOPE OF THE POLICY

Broadly, this policy consists of.

- (a) Item 1 provides definitions to be applied to certain phrases used in the policy.
- (b) Item 2 gives the objectives which informs the development of an indigent policy.
- (c) This section which provides scope of the Policy.
- (d) Item 4 that define indigents in the context of the municipality.
- (e) Item 5 that provide the qualification requirements for applicants of indigent support.
- (f) Item 6 sets out the scope and nature of indigent support which the municipality undertakes to provide in terms of the Policy.
- (g) Item 7 of the Policy deals with implementation issues with a view to provide an integrated approach for the implementation of the policy.
- (h) Item 8 covers indigent debtors and application of credit control measures to indigents.
- (i) Item 9 describes the process for appeal to appeal decisions made pursuant to the policy.
- (j) Item 10 covers the sources of funding for indigent support.

## 6. DEFINITION OF AN INDIGENT

Whilst the municipality recognizes that there are various methods that can be utilized to define an indigent, the following method is most appropriate to the Municipality and will be applied in determining whether an applicant qualifies as an indigent and is therefore entitled to indigent support:

- (a) A household income of or not more than R5,000.00, irrespective of the source of income.

- (b) A household is defined as the applicant plus six dependants living together under the same house or dwelling.
- (c) In the event that there are other persons including family members living in the same house or dwelling who are income earners but not dependant on the applicant with the exception of tenants, their income shall be included in the calculation of household income.

## 7. INDIGENT SUPPORT

- (1) The indigent support and infrastructure set out in this paragraph 5 is the minimum which the Municipality is obliged to provide in terms of this Policy and will be provided free of charge and at the cost of the Municipality.
- (2) In the event that the indigent consumes services in excess of the indigent support, the Municipality shall be entitled to charge the indigent. The tariff that will be applicable to the indigent for excess consumption of services shall be the municipality's indigent tariff.
- (3) Should there be more than six persons in each household, the municipality may provide additional amount of support to meet the requirements of the minimum basic support. The applicant shall be obliged to provide motivation in support of the number of the persons living in the household and the support required in respect thereof.
- (4) In instances where the municipality is providing communal facilities, it shall be entitled to determine and charge a flat rate to all persons that have not been qualified as indigents.
- (5) The following conditions shall be applicable:
  - (a) The indigent support shall be provided to indigents that own only one property and at the property where the indigent currently resides. In the event that the indigent owns more than one property and the others are used for income generation (rental income), the rental income must, when taken into account in terms of paragraph, not be more than the threshold amount;
  - (b) The indigent must meet the criteria set out in paragraph 4 above and comply with the terms and conditions of this policy;
  - (c) For electricity supply, the indigent will be provided with a 10amp circuit breaker. This circuit breaker will be provided free of charge, however, if an indigent requires a bigger circuit breaker he/she will be liable for the difference in costs between the 10 amp and the bigger amp.
  - (d) For water supply, the indigent's supply may be restricted by a flow-control washer to be installed in the meter.
  - (e) The indigent must be a South African or have South African permanent citizenship.
  - (f) Indigent shall not be entitled to receive greater services than the value allocated as free basic services.
  - (g) The Municipality retains the right to install a pre-paid meters in order to, inter alia, manage consumption.

- (h) Indigent will forfeit all benefits which were not consumed for that month and shall not be entitled to carry over or accumulate the support.

## 8. WATER SERVICES

The objective which the municipality seeks to achieve in respect of water infrastructure is providing a basic water supply facility, the sustainable operation of the facility, available for at least 350 days per year and not interrupted for more than 48 consecutive hours per incident:

(a) <b>Basic water supply facility</b>	The Municipality will provide: communal water points (taps); or boreholes or a tuckering system as an alternative to those households without infrastructure such as in rural areas. Depending on the financial ability of the Municipality, or if the household has water infrastructure, the Municipality will provide formal connections, that is, yard or house connections.
(b) <b>Basic water supply service</b>	25 litres of potable water per person per day in each household shall be provided. The support shall be provided within 200 metres of a household and with a minimum flow of 10 litres per minute.

## 9. SANITATION SERVICE

(a) <b>Basic sanitation infrastructure</b>	The Municipality will provide a basic sanitation facility which is easily accessible to a household, the operation of the facility, including the facility for removal of human waste and wastewater from the premises where this is appropriate and necessary, free of charge.
(b) <b>Basic sanitation service</b>	The various service options which the Municipality will provide in rural areas or areas without infrastructure include: <ul style="list-style-type: none"> <li>- Removal of human waste and wastewater as and when necessary.</li> <li>- Ventilated Improved Pit Toilet (VIP).</li> <li>- Ventilated Improved Double Pit Toilet.</li> <li>- Urine Diversion Toilet.</li> </ul> In instances where there is infrastructure, access to waterborne, sewerage will be provided.

## 10. REFUSE REMOVAL

(a) <b>Basic refuse removal infrastructure</b>	The Municipality will provide households dump waste in mass containers at a communal site
(b) <b>Basic refuse removal service</b>	The removal of refuse from the communal site and disposal to a landfill site; or The removal of refuse from each property located within the municipality's radius of collection and disposal of this waste in a landfill site. Refuse removal and disposal shall be done weekly, free of charge.

## 11. ELECTRICITY

The target which the Municipality seeks to achieve is providing sufficient electricity for basic lighting, powering a small black and white television, radio, basic ironing and cooking.

<b>Facility</b>	The municipality will supply an indigent household with a maximum of 10amp circuit breaker.
<b>Basic energy service</b>	For all households that are currently on the Grid, an amount of 50 kWh per month will be allocated to each household. In the event that there are households which are not on the Grid, an amount of not less than R55 00 per household per month will be allocated to each household for free basic alternative forms of energy. Alternate forms of energy shall include: <ul style="list-style-type: none"> <li>- Paraffin</li> <li>- Liquefied Petroleum Gas (LPG)</li> <li>- Candles</li> <li>- Firewood</li> <li>- Bio-Ethanol gel</li> <li>- Coal</li> <li>- Solar panels shall be provided and subsidized at a cost of R48.00 per month depending on the circumstances of the municipality.</li> </ul>

## 12. ASSESSMENT RATES AND TAXES

<b>Assessment rates and taxes</b>	All indigents shall be exempted from payment of rates and taxes irrespective of the value of the property.
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## 13. IDENTIFICATION OF AN INDIGENT

- (1) Any person may apply to the Municipality, in the manner prescribed below, to be registered as an indigent. If it is within the municipality's capacity, the following methods may be utilised as alternatives to self-targeting currently used by the municipality:
  - (a) Survey by means of house to house.
  - (b) Data from Statistics South Africa.
  - (c) Data extracted from the municipality's Evaluation roll
- (2) Whatever method utilised the information will be subject to verification.
- (3) The process which applicant can follow in order to apply is set out below and all persons must apply using the **Application Form for Indigent Support** which can be obtained at:

Physical Address:	Main Road, Opposite Khensani Hospital
Contact Person:	Financial Manager and Chief Health Services
Telephone Number:	(015) 811 – 5573
Facsimile Number:	(015) 812 – 2068
Postal Address:	Private Bag X 9559 Giyani 0826
<b>Alternative Points where forms can be obtained</b>	
Physical Address:	None
Contact Person:	None
Telephone Number:	None
Postal Address:	None



- (4) The forms can be requested telephonically or by facsimile at the numbers provided above, if the house to house method is not utilised. The completed indigent application forms can be submitted in person, by post or facsimile at any of the addresses and numbers provided above.
- (5) The applicant must submit the following information:
- (a) A completed application form duly signed;
  - (b) Proof of residence within the Municipality's jurisdiction;
  - (c) A copy of the applicant's Identity document;
  - (d) Full names, identity numbers and age of dependants;;
  - (e) A sworn affidavit confirming the correctness of the information contained in the application form and that household income from all sources has been declared;
  - (f) If the applicant is employed, a copy of the latest pay slip must be submitted or any other proof of income or a copy of pension payment advice;
  - (g) Proof of ownership of the property where services are to be provided or a copy of the rental agreement;
  - (h) A sworn affidavit by the tenants, if any confirming the amount of rent they pay to the indigent;
  - (i) A social worker's report, if applicable and shall be provided at the request of the municipality;
  - (j) Proof of registration as unemployed from the Department of Labour (in respect of unemployed), if any
  - (k) Electricity and water meter numbers, if any;
  - (l) Copy of latest bank statement (where applicable);
  - (m) Recent municipal account/statement, if applicable;
- (6) An applicant who is an heir of a deceased person's (indigent) property must in addition to the information required above, provide:
- (a) A copy of death certificate;
  - (b) A copy of Deed of Grant;
  - (c) Proof that the property was inherited by the applicant, if applicable
  - (d) Certificate of appointment as an executor of the estate of the deceased from the Magistrate, if applicable.
- (7) The Municipality may request any additional information which it considers necessary and may inspect the property occupied by the applicant and in respect of which municipal services are rendered or are to be rendered to assess the merits of the application.
- (8) No person may to any degree or in any manner, deviate from the conditions of the Municipality contained in this Policy, and any deviation shall constitute a contravention of this policy and consequently negates an approval or lead to the withdrawal of benefits.

#### 14. RENEWAL OF APPLICATION

- (a) Registration of an indigent in terms of this policy may be considered for renewal in the sole discretion of the municipality after receipt of an application by the indigent. The application for renewal must be made at least 60 (sixty) days prior to the expiry of a one year period calculated from the date determined by the municipality.
- (b) Application forms can be obtained, and submitted and in the manner set out in paragraph 6.1 above.
- (c) Should the indigent fail to renew his/her application within the prescribed period by the municipality, the applicant shall be disqualified as an indigent and shall forfeit the indigent

support provided in terms of this Policy, unless motivation to the contrary is supplied, to the satisfaction of the municipality.

#### **15. WITHDRAWAL OF INDIGENT SUPPORT**

The Municipality shall be entitled to withdraw any approval and/or indigent support provided under this policy if the indigent:

- (a) Failed to comply and/or contravenes the provisions of this policy or any other laws, regulations, by-laws;
- (b) Failed to comply with any condition/s imposed by the Municipality;
- (c) Provided the Municipality with false and/or incorrect information;
- (d) Death of the person registered as indigent, provided the other persons who are members of the household are entitled to apply if they qualify as indigents.
- (e) Sells his property in which event the support shall however be transferred to the new property. In this regard, the indigent shall be obliged to notify the municipality of the change of address.
- (f) Indigent status improves in terms of income i.e. earns more than the set threshold.
- (g) Any other circumstances which justifies the withdrawal of the indigent support but have not been specifically provided for in this policy.
- (h) Failure to pay for the excess consumption of subsidised services.

#### **16. PERIOD FOR RENEWAL**

- (1) Indigents are obliged to re-apply for qualification as indigents every one year except in the case of pensioners and child-headed households. Failure to apply will trigger the provisions of paragraph 6.8 above.
- (2) In the event that there is a change in the income level of the household such that the household falls above the threshold set out in paragraph 4 above, the indigent shall be obliged to immediately update his/her details with the Municipality. Failure to update the details with the Municipality shall trigger the application of paragraph 15 read with paragraph (7) above.

#### **17. EXIT PROGRAMME**

Members of households registered as indigent should be prepared to participate in exit programmes coordinated by the Municipality in collaboration with other Government Departments and the Private Sector. The expectation of this clause excludes pensioners and child-headed households.

#### **18. VERIFICATION OF INDIGENTS**

- (1) The Municipality has the right to, and the indigent hereby agrees to the publication of indigent register for comments by the public. The public shall be entitled to lodge objections to the register in respect of any person's qualifications as an indigents.
- (2) The Municipality may appoint inspectors, community development workers ward committees and/or councillors such means within its powers to verify any information supplied by an indigent pursuant to this Policy.
- (3) The municipality may verify the information provided by the applicant using the following:
  - (a) Recommendations by community structures (ward committees, CDW, etc) after visiting indigent households.
  - (b) Publication of the compiled register in order for the public to comment and/or lodge objections.
  - (c) Social workers report, if applicable verification done by the municipality, such as random or independent periodic checks.

## 19. IMPLEMENTATION OF THE POLICY

- (1) The Municipality's aim is to ensure that there is a single, integrated approach from the various departments of the Municipality in order to avoid confusion and inefficiency.
- (2) The municipality has therefore delegated the implementation of the policy to the municipal manager who in turn delegates the functions to the Financial Manager and Chief Health Services.
- (3) This ensures a single channel for interacting with indigent households on all aspects of implementation which allows for not only an integrated approach but also a more coherent response.
- (4) The role of this department shall be amongst others to coordinate all various aspects of implementation and liaison with the other departments of the municipality that provides overlapping and related services.
- (5) The municipality recognises that the coordination function requires the customer care (liaison) centre housed in the Department of Community Services in the near future in order to achieve the objectives set out above.
- (6) This Department has details of programs or support provided by other government departments which the indigent can access. Indigents can contact Financial Manager and Chief Health Services in order to obtain information relating to these programs.

## 20. INDIGENT DEBTORS AND CREDIT CONTROL

- (1) The Municipality has the obligation to take effective action to address arrears owing to the municipality. Accordingly, indigents are:
  - (a) Liable for any amounts due as a result of consumption in excess of the indigent support;
  - (b) The municipality's indigent tariff shall be applicable in respect to all excess consumption;
- (2) In the event of arrears arising from charging of services (except water consumption) prior to approval, the municipality will do a retrospective adjustment as follows:

### (a) Old age pensioners and child-headed households

A retrospective adjustment from date of retirement not exceeding 24 months will be made subject to the following criteria being met:-

- i. Motivation letter stating reasons as to why the applicant did not previously apply as an indigent;
- ii. Proof of social grant income;
- iii. Proof of marital status;
- iv. Certified copy of ID and those of spouse; and
- v. Birth certificates of children and proof of school attendance.

### (b) Owners dependent on pension

A retrospective adjustment from date of retirement not exceeding 12 months will be made subject to the following criteria being met:-

- i. Motivation letter stating reasons as to why the applicant did not apply as an indigent immediately after pension date should accompany application form;
- ii. Proof of income;
- iii. Proof of marital status;
- iv. Certified copy of ID and those of spouse; and
- v. Birth certificates of children and proof of school attendance.

- (3) The Municipality retains the right to restrict the current consumption by the household or disconnect services where the indigent consumes more than the subsidized amount and fails to pay the difference.
- (4) Under special circumstances the Municipality may at its absolute discretion:
  - (a) suspend the charging of interest on overdue accounts;
  - (b) Suspend payment of arrears due by a person prior to obtaining approval of his/her application in terms of this Policy until the status of the indigent has changed.
  - (c) Allow indigents to negotiate payment of arrear amount in instalments in which event, the indigent shall be obliged to enter into an acknowledgement of debt.
- (5) Notwithstanding any other provision of this Policy, indigents who, fail to pay their accounts, or to keep the terms of their arrangement regarding payment for excess consumption will have their indigent support withdrawn and shall be subject to the Municipality's credit collection policy.

## 21. COMMUNICATION PROCEDURES

- (1) Communication procedures and Free Basic Services Implementation strategy
- (2) The municipality will developed the free basic services communication and implementation strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and implementation thereof.
- (3) Regular information dissemination and awareness campaigns will be undertaken and eliminate unrealistic expectations both in terms of qualifying for the free basic services subsidy as well as the services that will be rendered.
- (4) The following communication mechanisms will be used to disseminate information:
  - (a) Ward committees;
  - (b) Traditional leaders, where applicable;
  - (c) Community based organisations;
  - (d) Local radio stations and newspapers;
  - (e) Municipal accounts;
  - (f) Izimbizo's and road shows
  - (g) SMS and MMS technology
  - (h) Social Media

## 22. APPEAL PROCEDURES

- (a) An unsuccessful applicant has a right to appeal against the decision of the municipality in the event the municipality disapprove or disqualify applications for indigent support.
- (b) Indigents have the right to appeal the decisions of the municipality pursuant to this policy.
- (c) Appeals shall be coordinated by the municipal manager or any other forum which the municipality may establish for this purpose, unless the municipal manager was the decision maker in which event, the mayor shall be responsible for coordinating the appeals.

## 23. FUNDING

The indigent support provided in terms of this Policy shall be subject to the Municipality's ability to afford the support. The following are various sources of funding which the Municipality undertakes to use in order to fund indigent support:

- (a) the equitable municipal grant provided by the National Government for purposes of funding free basic services;
- (b) Cross subsidization between municipal services and within the limits of the Systems Act;

- (c) To the extent possible, the Municipality's revenue;
- (d) Any other grants which the Municipality received and/or is able to source from donors for free basic services.

**24. CERTIFICATE OF ENDORSEMENT**

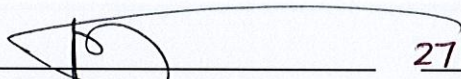
The Agreement to this Policy shall come into effect on the date of endorsement and shall cease only in the event where such changes/variations has been reduced to writing and been signed by the speaker of the council. Unless in the event where any changes in any applicable Act, Legislation has jurisdiction to supersede.

**25. POLICY AMMENDMENT**

This policy shall be approved and amended by council through its executive and legislative powers as and when the need arises.

**Signed by**

**Mayor: Cllr Zitha T**  
**SURNAME & INITIALS**

  
\_\_\_\_\_  
**SIGNATURE**

27/05/2022  
**DATE**

**Council Resolution: CR92 – 27/05/22 SP**