

GREATER LETABA MUNICIPALITY



INDIGENT POLICY

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1. DEFINITIONS

- 1.1 **“Household”** means a registered owner or tenant with or without children who reside on the same premises;
- 1.2 **“Indigent”** means any household or category of households, earning individual income equal to or less than the threshold, as determined by the municipality annually in terms of a social and economic analysis of its area, which qualifies for rebates/remissions, support or a services subsidy; provided that child support grants are not included when calculating such household income;
- 1.3 **“Municipality”** means the **Greater Letaba Municipality**;
- 1.4 **“Indigent officer”** an official duly authorised by the municipality, or an employee of a service provider appointed by the municipality, who is responsible for the following:-
- a. to ensure that applications for indigent support are received, assessed and submitted for consideration and approval;
 - b. to ensure that approved applications are captured on the Financial Management System; and
 - c. to ensure that information on applications are verified and that regular audits are executed.
- The Accountant Credit Control fulfils the role of Programme Officer within the municipality.
- 1.5 **“Occupier”** means the person who controls and resides on or controls and otherwise uses immovable property, provided that:-
- a. the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
 - b. where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;
- 1.6 **“Owner”**, in relation to immovable property, means:-
- a. the person in whom is vested the legal title thereto provided that:-
 - (i) The lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof; and
 - (ii) The occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;

- b. if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- c. if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- d. if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

1.7 **“Premises”** includes any piece of land, the external surface boundaries of which are delineated on:-

- a. a general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
- b. a general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and
- c. situated within the jurisdiction of the municipality;

1.8 **“Rates”** means any tax, duty or levy imposed on property by the Council.

2. INTRODUCTION

- 2.1 The Municipal Council must give priority to the basic needs of the community, promote the social and economical development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1) (b) and 153(b) of the Constitution of South Africa.
- 2.2 Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads.
- 2.3 The Constitution recognises Local Government as a distinct sphere of Government and as such also entitles Local Government to a share of nationally raised revenue, which will enable it to perform their basic function of providing essential services to the community within their boundaries.
- 2.4 The key purpose of an indigent subsidy policy is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary the Municipality is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the indigent subsidy policy should remain intact.
- 2.5 To achieve the purpose it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs.
- 2.6 The consumer, in order to qualify as an indigent, needs to complete the relevant documentation as required and agree to regulations and restrictions stipulated by Greater Letaba Municipality.

3. PURPOSE OF THE POLICY

- 3.1 The purpose of this policy is to ensure that the subsidy scheme for indigent households forms part of the financial management system of Greater Letaba Municipality and to ensure that the same procedure is followed for each individual case.

4. POLICY PRINCIPLES

4.1 It is against the above background that the municipality undertakes to promote the following principles:-

4.1.1 To ensure that the portion of the equitable share that is allocated for free basic services will only be utilised to benefit indigents and not to subsidise rates and services charges of those who can afford to pay;

4.1.2 To link this policy with the municipality's Integrated Development Plan (IDP), Local Economic Development (LED) initiatives and poverty alleviation programmes;

4.1.3 To promote an integrated approach to free basic service delivery; and

4.1.4 To engage the community in the development and implementation of this policy.\

5. POLICY OBJECTIVES

- 5.1 In support of the above principles the objectives of this policy will be to ensure the following:-
- 5.1.1 The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
 - 5.1.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
 - 5.1.3 Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and an exit strategy;
 - 5.1.4 The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
 - 5.1.5 To ensure co-operative governance with other spheres of government; and
 - 5.1.6 To enhance the institutional and financial capacity of the municipality to implement the policy.

6. LEGISLATIVE FRAMEWORK

6.1 This policy is designed and implemented within the framework of the following legislation:-

6.1.1 The Constitution of the RSA, 1996;

6.1.2 Local Government Municipal Systems Amendment Act, 2003, Act No 44 of 2003;

6.1.3 The Local Government Municipal Finance Management Act 2003, Act no 56 of 2003;

6.1.4 The Promotion of Administrative Justice Act, 2000, Act no 3 of 2000;

6.1.5 The Promotion of Access to Information Act, 2000, Act no 2 of 2000; and

6.1.6 The Local Government Municipal Property Rates Act, 2004, Act no 6 of 2004.

7. TARGETING OF INDIGENT HOUSEHOLDS

7.1 The effective targeting of indigent households and the implementation of this policy will depend largely on the social analysis included in the IDP, the LED initiatives and other poverty relief programmes of the Greater Letaba Municipality. The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent households. Against the background of such socio-economic analysis, the municipality must within its financial and institutional capacity decide which targeting approach or option should be applied.

7.2 The Municipality may apply the following targeting methods:-

Targeting approach	Application
1. Service levels	Lowest service levels normally in informal settlements and rural areas.
2. Property value	Applicable only to registered indigents in respect of subsidised or RDP housing to a value determined in addition to the R15 000 in terms of the Property Rates Act, 2004.
3. Household income	Threshold shall be R4 000 per household or an amount determined by the Council from time to time.
4. Geographical (Zonal) targeting	Specific areas (rural or urban) where households are regarded as poor irrespective of service level.

7.3 For each financial year the municipality will use household income and service levels as the targeting approach for the registration of indigent consumers.

8. QUALIFICATION CRITERIA

- 8.1 Qualification criteria for indigent support shall be determined by the municipality from time to time, provided that until the Greater Letaba Municipality determines otherwise, the following criteria shall apply:-
- 8.1.1 The applicant must be a resident within the Greater Letaba municipal area.
- 8.1.2 The applicant must be in possession of a valid South African identity document.
- 8.1.3 The total monthly income of all occupants on the property is not more than an amount as determined by Council from time to time. This amount will be determined at the beginning of every financial year and will be applied for the duration of that particular financial year. For each financial year income amount is deemed to be less or equal than 000 per month per person with a maximum of R 4 000 per household.
- 8.1.4 Monthly consumption of electricity may not exceed 50 kWh on average. Monthly water consumption may not exceed 6kl on average.
- 8.1.5 The applicant must be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system;
- 8.1.6 Any occupant or resident of the single household referred to above may not own more than one property in addition to the property in respect of which indigent support is provided.
- 8.1.7 A tenant can only apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.
- 8.1.8 The account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased who occupy the property, applies for assistance.
- 8.1.9 All households applying for Free Basic Electricity must have electricity connected to the household.
- 8.1.10 Subsidies apply to households and not individuals.
- 8.1.11 The onus for applying for indigent subsidy rest with the consumer who cannot afford to pay the full municipal tariff for services received.

9. ASSISTANCE PROCEDURES

9.1 Communication

9.1.1 The municipality must develop a communication strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and its implementation. Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general and methods of communication may include, but will not be limited to:-

9.1.1.1 Ward committees;

9.1.1.2 Ward counsellor;

9.1.1.3 Community based organisations;

9.1.1.4 Local radio stations and news papers;

9.1.1.5 Municipal accounts;

9.1.1.6 Imbizo's and road shows; and

9.1.1.7 Events where government and municipal officials are made available to assist residents with applications such as ID applications, pension- and social grant applications.

9.2 Institutional Arrangements

9.2.1 The municipality must designate existing staff or appoint officials, or engage appointed temporary workers who have been trained in terms of the municipality's directions to assist with the implementation and development of this policy and must establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

9.3 Application/Registration

9.3.1 A person applying for indigent support must complete a formal indigent support application form approved by the municipality.

9.3.2 Such forms will be available at approved registration points provided by the municipality.

9.3.3 Applications for the indigent subsidy must be accompanied by the following documentation:-

9.3.3.1 The latest municipal account for the household;

9.3.3.2 Proof of the identity of the account holder; and

9.3.3.3 Proof of the income of all occupants on the property; i.e. a letter from his/her employer, salary slip/ envelope, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as "looking for employment".

9.3.3.4 Bank Statement for the last three months certified by the bank and a statement from the applicant that no other bank accounts exist.

9.4 **Assessment and Screening of Applicants**

9.4.1 Upon registration of an application, all information must be verified by the Indigent Clerk.

9.5 **Recommendation**

9.5.1 Once the verification has been completed the Indigent Officer must submit the application and recommendation to the relevant Indigent Assistance Committee.

9.6 **Indigent Assistance Committee**

9.6.1 Indigent assistance committees per ward must be nominated annually by ward councillors and submitted to the Council for approval for appointment via the Indigent Clerk. A ward indigent committee consists of the ward councillor and two members from the ward nominated.

9.6.2 Indigent Assistance Committees must meet regularly, but at least once per month.

9.6.3 The Indigent Assistance Committee must consider each recommended application; assess it in terms of the application and any other knowledge or information which members may have in respect of the applicant.

9.6.4 Recommendations made by the Indigent Assistance Committee must be signed off by the Ward Councillor and submitted to Council for approval via the Indigent Clerk.

9.6.5 Indigent Assistance Committees must monitor, in conjunction with ward councillors, ward committees and other persons or organisations it may appoint the implementation of the indigent support programme subject to the policy directions of the municipality and in consultation with the Accounting Officer.

9.7 **Right of Appeal**

9.7.1 An applicant who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal in terms of section 62 of the Municipal Systems Act, Act no 32 of 2000.

10. THE EXTENT OF INDIGENT SUPPORT

- 10.1 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.
- 10.2 The general threshold for indigent support for each financial year is restricted to qualifying households with a combined income of R4 000 per month. The municipality recognises the following three levels of indigent support:-
- 10.2.1 Category A - Support to qualifying households where the combined income is equal or less to an amount as determined by Council from time to time. For each financial year this threshold is determined to be equal or less than R4 000 per month.
- 10.2.2 Category B - Care centres where elderly care is provided. For each financial year, the subsidy will be restricted to a fixed amount of R120 per month per resident with an income less or equal to the amount received by one state pensioner per month. The indigent assistance is rendered in the form of credit on the monthly electricity levy payable by the management of the particular institution. The total subsidy should not exceed the total monthly municipal account.
- 10.2.3 Category C – Churches who are categorised in the Valuation Roll as a ‘Place of public worship’ in terms of the Municipal Property Rates Act and where more than 50% of the members of that congregation is registered as indigents in terms of the Council’s Indigent Policy. For each financial year, the subsidy will be restricted to the subsidising of all basic services charges.

11. THE EXTENT OF INDIGENT SUPPORT FOR CATEGORY A INDIGENTS

Within the above mentioned budgetary process and in striving to create the situation where poor households will be granted access to a full social package, assistance and support to Category A households may be granted as set out below.

11.1 Electricity

11.1.1 The service level target that the Municipality seeks to achieve is providing sufficient electricity for basic lightning, powering a small black and white television, radio, basic ironing and cooking.

11.1.2 For electricity supply, indigent households will be provided with a 10 Amp circuit breaker. This circuit breaker will be provided free of charge. However, if an indigent user requires a bigger circuit breaker he/she will be liable for the difference in cost between the 10 Amp circuit breaker and any bigger amp circuit breaker.

11.1.3 The Municipality retains the right to install pre-paid electricity meters in order to, inter alia, manage consumption.

11.1.4 Category A registered indigents will all receive 50 kWh of electricity per month fully subsidised or an amount to be determined by Council on an annual basis.

11.1.5 Unused free electricity units will not be carried over to the next month. Any meter tampering will result in the subsidisation to be withdrawn. In the event of the electricity supplied by Eskom directly the municipality will pay over an amount to Eskom equal to 50 kWh of electricity per month based on the consumers registered with the Greater Letaba Municipality as indigents and not based on any indigent records submitted by Eskom.

11.2 Water

11.2.1 The objective which the Municipality seeks to achieve in respect of water infrastructure is providing a basic water supply facility and 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).

11.2.2 Depending on the financial ability of the Municipality, or if an indigent household has water infrastructure already, the Municipality will provide formal connections, that is yard or house connections.

11.2.3 Category A registered indigents will receive 6 kilolitres of water per month fully subsidised or an amount as determined and provided for by the Council in the annual budget from time to time.

11.2.4 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the tariff policy applicable for the financial year.

11.2.5 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.

11.2.6 The Municipality retains the right to install pre-paid water meters in order to, inter alia, manage consumption.

11.2.7 The Municipality further retains the right to restrict the water supply through the installation of a flow-control washer in order to manage consumption.

11.3 Sewerage

11.3.1 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.

11.3.2 Category A registered indigents shall be fully subsidised for the basic levy for sewerage for one service connection as provided for by Council in the annual budget from time to time.

11.3.3 The above subsidy will also be applicable to qualifying indigents with no waterborne sewerage but serviced through septic tanks. The subsidy will be restricted to the basic levy for septic tanks as well as one withdrawal per month.

11.3.4 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the tariff policy applicable for the financial year.

11.3.5 The various service options which the Municipality can provide in rural areas without infrastructure may include:-

- Removal of human waste and wastewater as and when necessary.
- Ventilated Improved Pit (VIP) Toilet.
- Ventilated Improved Double Pit Toilet.
- Urine Diversion Toilet.

11.4 Refuse Removal

11.4.1 Category A registered indigents shall be fully subsidised for refuse removal once per week for one service connection as provided for by Council in the annual budget from time to time.

11.4.2 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the tariff policy applicable for the financial year.

11.4.3 Where refuse removal does not take place at the property, the Municipality will provide for households to dump waste in mass containers at a communal site. The Municipality will then remove refuse from the communal site and dispose to a landfill site, on a weekly basis, free of charge.

11.5 Property Rates

11.5.1 Category A registered indigents shall be fully subsidised for the payment of property rates, irrespective of the value of the property, provided for by Council in the annual budget from time to time and subject to the provisions of the Municipal Property Rates Act.

11.5.2 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the tariff policy applicable for the financial year.

11.6 **Burials**

11.6.1 In the event of the death of a member of a category A indigent household, the municipality will exempt the household from the cost of digging and preparation of a grave, provided that the burial takes place in a municipal cemetery.

11.7 **Site Rental**

11.7.1 Category A registered indigents shall be fully subsidised for the payment for site rental as provided for by Council in the annual budget from time to time.

11.7.2 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the tariff policy applicable for the financial year.

12. CATEGORY B - INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES

- 12.1 Indigent consumers living in retirement centres or old age homes shall be eligible to qualify for assistance and support in terms of this policy.
- 12.2 The onus will be on the Board of Trustees/Managing Agent to apply to the Municipality, for indigent status to be granted in respect of electricity consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification.

13. CATEGORY C – CHURCHES CATEGORISED AS A PLACE OF PUBLIC WORSHIP IN INDIGENT AREAS

- 13.1 Churches where more than 50% of the members of that congregation are registered as indigents in terms of the Council's Indigent Policy shall be eligible to qualify for assistance and support in terms of this policy.
- 13.2 The onus will be on the Minister of the Church to submit proof to Council of the number of members registered as indigents in terms of the Council's Indigent Policy. This must be done through submission of the ID numbers of the members qualifying and an affidavit in respect of the total number of members belonging to the congregation.
- 13.3 No subsidy will be payable in respect of any vacant stands owned by any church.

14. PROCESS MANAGEMENT

14.1 Applications

- 14.1.1 The indigent application form should be completed in full and then captured onto the relevant indigent register and accounting system.
- 14.1.2 Applicants must give permission that the information submitted may be verified by a credit bureau or similar agency.
- 14.1.3 All applications must be sworn by the SAPS or a Commissioner of Oath on signing.

14.2 Validity Period

- 14.2.1 The validity period of assistance will be for the duration that the applicant remains indigent. Households, in terms of the audit and review process, will be subjected to scrutiny to determine any change in status.
- 14.2.2 Households may have to periodically re-apply, but this would be determined by the municipality from time to time. Currently, the subsidy is only valid for a period of twelve months. Re-application must be done at least three months before the end of each financial year or any other period as determined by the municipality.

14.3 Death of Registered Applicant

- 14.3.1 In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met.

14.4 Publication of Register of Indigent Households

- 14.4.1 Names of indigent beneficiaries must be open for public perusal and comment. The applicant must give permission to the municipality to publish his/her name and address on a list of account holders who receives subsidy in terms of this Policy.
- 14.4.2 Written objections from the public must be referred to the Indigent Clerk who will be responsible for investigating the validity of the complaint and referral to the Indigent Committee for appropriate action.

14.5 Arrears and Excess Usage of Allocations

- 14.5.1 Upon registration as an indigent household, the arrears on the account of the applicant will be written off.
- 14.5.2 Where restriction of consumption applies to a particular service, applicants may not refuse to be restricted in terms of Council policy. Where restrictions are not possible the account holder will be responsible for the consumption in excess of the approved subsidy.
- 14.5.3 Current policy requires that upon approval of indigent status the consumer's meters for electricity and water may be converted to pre-paid meters at the cost of Council.

14.5.4 The writing off of any arrears is strictly subject to the provision that the property may not be sold within a period of three years from the date that the owner qualify as a registered indigent. In the case of the property being sold inside a period of three years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate is issued.

14.6 **Termination of Indigent Support**

Indigent Support will be terminated under the following circumstances:-

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

14.6.2 Automatically at the end of the 12 months cycle. However, the municipality may decide to extend the 12 months cycle for re-application.

14.6.3 Upon sale of the property in respect of which support is granted, subject to the provisions of paragraph 14.5.4.

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

14.6.5 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:-

14.6.5.1 All arrears will become payable immediately;

14.6.5.2 Stringent credit control measures will apply; and

14.6.5.3 The applicant will not be eligible to apply for indigent support for a period of five (5) years.

14.7 **Audit and Review**

14.7.1 The municipality may conduct regular audits of the indigent register with regard to the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of applicants. The frequency of such audits will depend on the institutional capacity of the municipality to do so.

14.7.2 Where possible, quarterly targeted audits and reviews should be undertaken, with a complete review scheduled for at least every three (3) years.

14.8 **Exit Programme**

14.8.1 Members of households registered as indigent must be prepared to participate in exit programmes co-ordinated by the municipality in collaboration with other government departments and the private sector.

14.8.2 As part of its broader poverty reduction programme the municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic

development (LED) initiatives and in the implementation of integrated development programmes where possible.

14.8.3 The municipality must promote exit from indigence by:-

14.8.3.1 identifying indigents for inclusion in public works projects;

14.8.3.2 initiating local job creation projects such as cleansing operations, small infrastructure projects;

14.8.3.3 facilitation of opportunities to enter the informal trade market;

14.8.3.4 facilitation of food security projects; and

14.8.3.5 liaison with National and Provincial departments to include indigent persons in their public works programmes.

15. DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER

- 15.1 The Chief Financial Officer will be responsible to compile and administer the database for households registered in terms of this policy.
- 15.2 Registration will take place on dates and at times and places determined by the Council, but shall generally be undertaken during February and /or March each year. The Accounting Officer or his/her delegate 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.
- 15.3 Council reserves the right to send officials or its agents to premises/households receiving relief from time to time for the purpose of conducting an on-site audit of the details supplied.

16. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

- 16.1 Applicants will be required to sign and submit a sworn affidavit, to the effect that all information supplied is true and that all income, i.e. from formal and/or informal sources, is declared. Non-compliance will make the application invalid.
- 16.2 Any person who supplies false information will be disqualified from further participation in the subsidy scheme and be liable for the immediate repayment of all subsidies received and all debts including arrears that have previously been written off. Council may furthermore institute criminal proceedings, as it may deem fit.
- 16.3 The onus also rests on indigent support recipients to immediately notify Council of any changes in their indigence status.

17. TARIFF POLICY

- 17.1 The Municipal Systems Amendment Act stipulates that a Municipal Council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements and which complies with the provisions of the Act and with any other applicable legislation.
- 17.2 A tariff policy must reflect, amongst others, at least the following principles, namely that:-
- 17.3 The amount individual users pay for their services should generally be in proportion to their use of that service;
- 17.3.1 Poor households must have access to at least basic services through-
- 17.3.1.1 tariffs that cover only operating and maintenance costs;
- 17.3.1.2 special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
- 17.3.1.3 any other direct or indirect method of subsidisation of tariffs for poor households.
- 17.3.2 The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

18. SOURCES OF FUNDING

- 18.1 The amount of subsidisation will be limited to the amount of the equitable share received on an annual basis. This amount may be varied on a yearly basis according to the new allocation for a particular financial year.
- 18.2 The Municipality resolves to subsidise all registered indigents for property rates, electricity, water, sewerage, refuse removal, site rentals and burials per month or an amount to be determined annually by Council.
- 18.3 If approved as part of the tariff policy the amount of subsidisation may at any time be increased through cross subsidisation (step tariff system in which case paragraph 17.2.3 shall apply).
- 18.4 Existing indigent arrears on rates, tariffs and services charges will be written off against the provision for bad debts. Applicants whose municipal accounts show arrear amounts at the time of the application for a subsidy, such arrears may be written off on approval depending on availability of budget.

19. METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY

- 19.1 No amount shall be paid to any person or body, but shall be transferred on a monthly basis as a credit towards the approved account holder's municipal services account in respect of the property concerned.
- 19.2 Arrear amounts shall not qualify for any assistance and shall not be taken into consideration. Calculations shall be based on the monthly current accounts only and in accordance with the approved tariff policy.

20. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS

20.1 If an application is approved, services will be restored free of charge. If services are to be suspended thereafter in terms of the approved credit control policy, the approved tariff for reconnection will be payable.

21. MONITORING AND REPORTING

- 21.1 The Chief Financial Officer must report monthly to the Accounting Officer via the municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:-
- 21.2 Number of indigent households applications received;
- 21.3 Amount of subsidy allocated per benefit category;
- 21.4 Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);
- 21.5 Performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:-
- 21.5.1 Number of applications for indigent support dealt with;
- 21.5.2 Time taken to process and finalise applications;
- 21.5.3 Site visits undertaken; and
- 21.5.4 Awareness and Exit initiatives.
- 21.6 Changes in the registered status of indigents.

22. CAPACITY BUILDING

22.1 The municipality must ensure that all officials and councillors are appropriately capacitated in Free Basic Services in terms of the following key areas:-

22.1.1 Database management;

22.1.2 Demand and revenue management; and

22.1.3 Policy and by-law implementation.

23. IMPLEMENTATION AND REVIEW OF THIS POLICY

- 23.1 This policy shall be implemented once approved by Council. All future applications for indigent registrations must be considered in accordance with this policy.
- 23.2 In terms of section 17(1) (e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.