

Beaufort West Municipality



Indigent Policy

2018

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes that such policy must provide for “provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents.”

Now therefore the Municipal Council of the Beaufort West Municipality adopts the Indigent Policy as set out in this document:-

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1. Definitions

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

<i>“authorised representative”</i>	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
<i>“basic service”</i>	The amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.
<i>“Chief Financial Officer”</i>	An officer of the Municipality appointed as the Head of the Finance Department and includes any person:- a. acting in such position; and b. to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
<i>“Council” or “municipal council”</i>	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Beaufort West Municipality.
<i>“customer”</i>	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
<i>“defaulter”</i>	A person who owes money to in respect of a municipal account after the due date for payment has expired.
<i>“Household”</i>	Persons who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter.
<i>“Income”</i>	Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of earnings received by every person residing on the property.
<i>“Indigent”/ “poor households”</i>	Means any household or category of households, earning a combined gross income , 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 service subsidy, provided that foster and child support grants are not included when calculating such household income.
<i>“interest”</i>	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.
<i>“municipal account” or “billing”</i>	the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to:- (a) show the levies for assessment rates and/or building clause; and “monthly account” rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly
<i>“Municipality”</i>	The institution that is responsible for the collection of funds and the provision of services to the customers of Beaufort West.

“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); b) A general plan registered in terms of the Sectional Titles Act, 1986 (Act no. 95 of 1986) and situated within the jurisdiction of the municipality;
“the Act”	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.

2. Objectives

The objective of this policy are to:

- subsidise indigent household's municipal accounts by means of an equitable share allocation received by the Council from the Central Government to enable access to basic municipal services for all residents which otherwise will be unaffordable;
- Determine the criteria for qualification of indigent and poor households;
- Ensure that the criteria is applied correctly and fairly to all applicants;
- Allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;
- Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

3. Subsidy for Indigent Households

- i. A basic level of services will be provided to qualifying households with a total gross income which is below a determined amount, and according to further specified criteria, as determined by the Municipality from time to time.
- ii. Indigence subsidies will be funded from the equitable share contribution made by National Treasury and as provided for in the municipal budget. The subsidy can only be credited to the qualifying customers' accounts until the amount received by the Municipality from National Treasury and provided for in the municipal budget for this purpose, has been exhausted, whereupon no further credits will be made until further national funds for this purpose are received or additional funds has been provided for in the municipal budget.
- iii. Subsidised services are, refuse removal, sewerage and consumption service charges.
- iv. Customers who qualify for an indigent subsidy must convert to pre-payment electricity meter, except for areas where electricity is not supplied by Beaufort West Municipality, and a pre-payment water meter.
- v. As only owner accounts will be opened, the tenant must have proof from the owner that he/she may occupy the premises, as well as proof that the tenant qualify as an indigent household.

- vi. If a customer's consumption or use of the municipal service is less than the subsidised amount of the service, the subsidy will be limited to the lesser amount. The unused portion, if any, may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- vii. If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rates.
- viii. All customers who qualify for an indigent subsidy will be placed on restricted service levels in order to limit further escalation of debt.
- ix. Where applicable, indigent customers may be exonerated from a portion of their arrear debt.
- x. An indigent customer must immediately request de-registration by the Municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria.
- xi. An indigent customer may, at any time, request de-registration.
- xii. A list of indigent customers will be maintained and may be made available to the general public, subject to the Promotion of Access to Information Act ("PAIA") and/Protection of Personal Information Act ("POPI Act").
- xiii. The applicant may not be the registered owner of more than one property.
- xiv. No councillor/s or officials will qualify for an indigent subsidy.
- xv. If a customer's consumption or use of municipal services is less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.

4. Principles of the Policy

- The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for approval of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
- All applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy;
- Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and manage these documents must be able to explain the contents thereof in the two languages of the Western Cape;
- The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

5. Categories and Criteria of Subsidy

A category of needy households is recognised for purposes of receiving an indigent subsidy:-

- The household income may not exceed the total of 2x All Pay Pension;
- The property may only be used for residential purposes;
- The average monthly consumption of electricity by the household over the previous 12 months may not exceed 450 kWh;
- The average monthly consumption of water by the household over the previous 12 months may not exceed 18kl;
- Must be a permanent resident of Beaufort West , Merweville , Nelspoort, Murraysburg;
- Must be a South African citizen;
- The applicant may not be the registered owner of more than one property;

A successful applicant's house will be fitted with a prepaid electricity meter.

Subsidy: Category A (R0 – R200)

- (i) 100% of the basic levy for electricity for one service point per month;
- (ii) 100% of the basic levy for water for one service point per month;
- (iii) 100% of the basic levy for sewage for one service point per month;
- (iv) 100% of the basic levy for refuse removal for one service point per month;
- (v) 50 kWh of electricity;
- (vi) 6 kl of water

Subsidy: Category B (R201 – R 1x state pension)

- (vii) 100% of the basic levy for electricity for one service point per month;
- (viii) 100% of the basic levy for water for one service point per month;
- (ix) 70% of the basic levy for sewage for one service point per month;
- (x) 50 kWh of electricity;
- (xi) 6 kl of water

Subsidy: Category C (R 1 x state pension + R1 – 2 x state pension)

- (xii) 100% of the basic levy for electricity for one service point per month;
- (xiii) 100% of the basic levy for water for one service point per month;
- (xiv) 20% of the basic levy for sewage for one service point per month;
- (xv) 50 kWh of electricity;
- (xvi) 6 kl of water

Subsidy: School Hostels

A subsidy equal to the following:

- Electricity usage subsidised with 10%

To qualify for the subsidy benefits, the hostel is required to submit a properly sworn statement not later than 31st day of May of every year.

From time to time, subsidies may be adjusted by means of a decision of the Council, in accordance with funds available for the purpose.

6. Application for a Subsidy

The account holder must apply in person at the indigent office of the municipality on the prescribed application form.

The following documentation must accompany the application:

- Copy of ID (of all residents residing on the property older than 18 years) – Person must be a South African citizen
- Copy of Municipal Account
- Proof of Income (of all residents residing on the property older than 18 years)
- Affidavit in the case of unemployment
- The applicant may not be the registered owner of more than one property
- A property may only be used for residential purposes

7. Sworn statement

The applicant must complete a sworn statement that forms part of the application form. Failure to do so will render the application invalid.

8. Conversion of meters

The applicant must agree to the conversion to pre-payment electricity as well as pre-payment water meter. (Refer to clause 3(d) of the Policy)

9. Publication of Names

The applicant must grant permission for the municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this Policy. (Refer to clause 3(k) of the Policy)

10. False or misleading information

A person who provides false information will be disqualified and be refused further participation in the subsidy scheme. In addition he/she may be held liable for the immediate repayment of any subsidies already granted and legal action may be instituted against the guilty party/parties.

11. Verification of applications

The municipality may, when deemed necessary, conduct audits to verify applications for information furnished or possible changes in the status of applicants.

12. Duration / Termination of indigent support

- If an application is approved, the subsidy will be applicable up until the equitable share contribution made from National Governments' fiscus and as provide in the municipal budget is depleted.
- An indigent must immediately request de-registration by the municipality if his/her circumstances have changed to the extent that he/she no longer meets the qualifications to register as an indigent.
- An indigent customer shall automatically be de-registered if an application is not renewed or if such application is not approved.
- An indigent customer may at any time request de-registration.
- The subsidy terminates when the applicant passes away.

13. Accounts in Arrear

Applicants, whose municipal accounts are in arrears at the time of the application for a subsidy, will have to make arrangements with the Municipality for paying off the amounts in arrears.

14. Write – Offs

Council will yearly, when registered indigent households fall into arrears, consider write-off of debt, except for reconnection/ connection charges, or penalties for theft, or any other costs in terms of existing agreements.

15. Register

- The Municipality will compile a register of households that qualify as “indigent”.
- The register will be updated continually and reconciled with the relevant subsidy account in the general ledger on a monthly basis.

16. Review and implementation

This policy will come into effect on 1 July 2018

This policy will be reviewed at least annually or when required by way of a Council resolution.