

**“The City of Heritage”**



# **Ulundi Local Municipality**

**Indigent Policy  
V 01**

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## **1. PREAMBLE**

- 1.1. Whereas the municipality receives an equitable share contribution from National Treasury annually;
- 1.2. And whereas the National Department of Provincial and Local Government has issued guidelines regarding indigent support;
- 1.3. And whereas the municipal council wishes to give access to basic services for all of its communities;
- 1.4. Now therefore the municipal council of Ulundi adopts the following Indigent Policy.

## **2. DEFINITIONS**

- 2.1. In this policy, unless inconsistent with the context:

<b>TERM</b>	<b>DETAIL</b>
“Account holder”	Means any person over 18 years of age who is responsible for the family unit and/or for the payment of any services accounts.
“Commercial activity”	Means any activity for profit or gain.
“Financial year”	Means the financial year of the municipality that runs from July to June.
“Indigent”	Means a household earning a combined total monthly income of R 1500 or less.
“Industrial activity”	Means any activity that involves the manufacturing or production of a product.
“Municipality”	Means the Ulundi Local Municipality.
“Resident”	Means a person or family unit that ordinarily resides within the area of jurisdiction of Ulundi Local Municipality either within their own or leased accommodation.

## **3. PURPOSES OF THE INDIGENT POLICY**

- 3.1. The purposes of the indigent policy are to:
- (i) Provide basic services to the community within the financial and administrative capacity of the municipality;
  - (ii) Provide procedures and guidelines for the subsidisation of basic service charges to indigent households using the equitable share allocation, received from Central Government and other budgetary provisions; and
  - (iii) Ensure affordability by subsidising tariffs calculated in terms of the municipality's tariff policy and by setting appropriate service levels in accordance with the municipality's service delivery plan.

#### **4. CRITERIA FOR QUALIFICATION**

4.1. In order to qualify for indigent support the following criteria must be met:

- (i) The verified gross monthly income of all household occupants over 18 years of age may not exceed the amount of R2500 00, this being applicable in the financial year 2014/2015.
- (ii) The accountholder who shall be in possession of a valid account statement or title deed and/or PTO must complete an official application form.
- (iii) The account holder must reside in the municipal area and may not conduct any commercial or industrial activity from the property.
- (iv) The applicant must be the full-time occupant and owner or Estate Executioner who is unemployed and may not own any other property, whether in or out of the municipal area.
- (v) Electricity up to 55 units per month limited to any lesser quantities as dictated by council's affordability. Consumption that exceeds 55 units per month will be payable by accountholder.
- (vi) Verified and proven beneficiaries in terms of the Discount Benefit Schemes who continuously reside in their houses or as shall be certified by a Ward Councillor shall be deemed to be indigent and shall not pay property rates
- (vii) Indigents shall receive a 100% rebate for refuse removal
- (viii) The subsidy will only be valid for 12 months whereafter the consumer who occupies or owns the property must reapply.
- (ix) The application will be approved by the municipality after the information supplied has been verified.

#### **5. EXTENT OF INDIGENT SUPPORT**

- 5.1. Subsidies will be limited to the above services.
- 5.2. Subsidies will be determined during the compilation of the annual budget.
- 5.3. The source of funding of the indigence subsidy is that portion of the equitable share contribution received from National Treasury and any additional provisions made by council and provided for in the annual operating budget.
- 5.4. The subsidy will only be credited to the qualifying customer's accounts until the amount provided on the budget has been exhausted.
- 5.5. If consumption per metering period (month) exceeds any of the norms stated in (5) and (6), usage will be restricted.

- 5.6. If a customer's consumption or use of municipal service is less than the subsidised service, the unused portion may not be accrued and the customer will not be entitled to a cash rebate in respect of the unused portion.
- 5.7. Annual service charges on the indigent's account will automatically be converted to monthly instalments.
- 5.8. The accounts of indigent households will be exempted from interest.
- 5.9. Where it occurs that consumers are minors due to circumstances, the support will be determined as per Council decision from time to time.

## **6. *ARREARS ON INDIGENT ACCOUNTS***

- 6.1. Once an application for indigent support has been approved all service related arrears (Water, refuse removal and sewerage disposal) on the consumer account will be written off.
- 6.2. Arrears related to rates and housing instalments or rent will be recovered through the electricity prepayment meter.

## **7. *NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT***

- 7.1. When a property owner or occupier who has registered as an indigent fails to comply with any of the conditions relevant to the receipt of indigency relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary accountholder for the financial year concerned.
- 7.2. The onus is on each registered indigent to advise the municipal manager of such failure to comply.
- 7.3. The indigent status of a customer will be reviewed from time to time, at intervals as determined by Council. This could be done by either physical audit or external verification check (ITC – Credit Bureau). Should the requirements not be met, the subsidy for that consumer will be cancelled.

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

## **8. REPORTING REQUIREMENTS**

- 8.1. The municipal manager shall report on a monthly basis to the executive mayor for the month concerned and by municipal ward:
- (i) The number of households registered as indigents and a brief explanation of any movements in such numbers;
  - (ii) The monetary value of the actual subsidies and rebates granted;
  - (iii) The budgeted value of the subsidies and rebates concerned; and
  - (iv) The above information cumulatively for the financial year to date.
- 8.2. The executive mayor shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or monthly frequently to any ward committees, when applicable.

## **9. SHORT TITLE**

- 9.1. This policy shall be called the Indigent Policy of the Ulundi Local Municipality.

## ***Annexure "A" – Approved Indigence Application form***

**ULUNDI LOCAL MUNICIPALITY**

**APPLICATION : EQUITABLE SHARE ALLOCATION**

**NOT CONFIDENTIAL**

TAKE NOTE: Applicants must note that the gross income of all occupants of the premises in respect of which application is being made for an allocation, must be stated irrespective of the conditions of marriage agreements. In this regard "Income" means all monies derived by occupants from salary, wage, interest, dividends, board/rental, child support and pensions- (Employers, old-age, war veteran and disability). **Proof of income/Certificates of gross income must be attached**, Sworn declarations will be accepted in exceptional cases.

I, the undersigned, hereby apply for an equitable share allocation and declare the following information to be true and correct:-

- |                                       |   |
|---------------------------------------|---|
| 1. Surname: .....                     | 2. Christian names: .....   |
| 3. Residential address:.....<br>..... | 4. Postal address: .....  |
| 5. Tel. No. ....                      | 6. Marital Status: Married ..... Unmarried .....<br>(Mark with X) |
| 7. Birth dates: Husband: .....        | Wife: .....   |
| Id No. ....                           | Id. No. ....  |
| Pension No. ....                      |   |

8. Details of Gross Monthly Income (in Rands)	Husband	Wife	Children living with parents	Other	TOTAL
a) Salary	R	R	R	R	R
b) Wage	R	R	R	R	R
c) Interest	R	R	R	R	R
d) Dividends	R	R	R	R	R
e) Pension :Employer	R	R	R	R	R
Disability	R	R	R	R	R
Old Age	R	R	R	R	R
War Veteran	R	R	R	R	R
f) Board / Rental	R	R	R	R	R
g) Child support	R	R	R	R	R
h) Informal / Casual work	R	R	R	R	R
i) Other	R	R	R	R	R
<b>Total Gross Monthly Income</b>					

9. Situation of erf in respect of which allocation is claimed:

Erf no. : ..... Street name: ..... House no.: .....

Account No: .....Pre-Paid Meter No.....

I, hereby declare that I am the registered owner/lessee of the above erf and that the said property is inhabited and controlled by me. I further declare that I fully realize that should any of the above information be found to be incorrect or false, I shall be responsible for the repayment of any allocation received plus interest, as well as any debt written off, and I acknowledge that legal steps for the fraudulent declaration, could be instituted against me. I accept and understand that due to the uncertainty of the availability of funds, the amount of allocation as well as the period of payment cannot be guaranteed by Ulundi Local Municipality.

Declared and signed at ..... on the ..... day of ..... 20.....

.....  
***SIGNATURE OF APPLICANT***

Sworn before me this..... day of ..... 20.....

.....  
***COMMISSIONER OF OATHS / PEACE OFFICER***





Ulundi Local Municipality  
Indigent Policy

The successful applicant could also qualify for certain debts to be written off on their account.

The Municipality reserves the right to collect any outstanding debts on the account by means of the pre-paid services, in a portion not excessive in relation to the purchases made by the accountholder.

**CONFIRMATION BY RELIGIOUS LEADER OR COUNCILLOR OR SCHOOL PRINCIPAL**

To the best of my knowledge the abovementioned information is correct.

Signed by me this ..... day of..... 20.....

.....  
**RELIGIOUS LEADER /  
COUNCILLOR/  
SCHOOL PRINCIPAL**

.....  
**SCHOOL STAMP PLEASE**