

**EMFULENI LOCAL MUNICIPALITY
INDIGENT HOUSEHOLD AND
CONSUMER SUBSIDY**

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PREAMBLE

WHEREAS a municipality must strive to fulfill its constitutional mandate by giving priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities within the area of its authority have access to the minimum level of basic services as contained in section 152 and 153 of the Constitution of the Republic of South Africa Act, 1996;

AND WHEREAS the Department of Local Government (DPLG), now known as Co-operative Government and Traditional Affairs (COGTA), has laid down the Credible Indigent Assessment Framework, 2008, Emfuleni Local Municipality hereby endeavors to comply by such criteria;

AND WHEREAS the National Government has a constitutional duty to provide an equitable share of nationally raised revenue to municipalities;

AND WHEREAS the aforesaid equitable share enables municipalities to provide basic services to poorer communities in an affordable and sustainable manner and improve administrative capacity to ensure democratic governance at the local level;

AND WHEREAS Section 74 of the Local Government: Municipal Systems Act, Act 32 of 2000, requires a Municipal Council to adopt and implement a Tariff Policy which must, inter alia, take into cognisance the extent of subsidisation of tariffs for poor households;

AND WHEREAS section 96 of the Local Government: Municipal Systems Act, Act 32 of 2000, requires a municipality to adopt, maintain and implement a credit control and debt collection policy and customer care policy and its bylaws;

AND WHEREAS the Local Government: Finance Management Act, Act 56 of 2003, in particular sections 62 and 64 require the effective management of the municipality's revenue;

AND WHEREAS the municipality firmly believes that in order to solve indigence, beneficiaries should be entitled to a broader package of services linked to employment, health and housing opportunities brought about by other initiatives, such as the Municipality's poverty alleviation programmes and local economic development initiatives.

NOW THEREFORE, the Emfuleni Local Municipality adopts the indigent policy as set out in this document.

2. DEFINITION CLAUSE

“Annual salary” means that an employee is guaranteed to be paid a set amount of money each year irrespective of taking an annual leave, however a salary need not be an annual figure because some employees earn monthly which may slightly change weekly, bi-weekly or monthly and this may slightly change the annual figure from year to year if a particular year has an extra pay period due to the calendar variances.

“Basic energy service” means the provision of sufficient energy as determined by the Municipal Council to allow for lighting, access to media (TV, radio) and cooking. This may include electricity and other forms of energy applicable;

“Basic refuse removal service” means the disposal of refuse on a property where housing densities permit this or the removal of refuse from each property located within the area of authority of a municipality and disposal thereof in an adequate landfill site, either option undertaken in such a way that the health of the community is maintained and no diseases are propagated, or pests allowed to breed due to refuse which is not properly removed and disposed of, leading to a clean environment;

“Basic sanitation service” means the provision of a basic sanitation facility which is easily accessible to a household, the sustainable operation of the facility, including the safe removal of human waste and wastewater from the premises and the communication of good sanitation, hygiene and related practices;

“Basic water supply service” means the provision of uninterrupted clean basic water supply facility and the sustainable operation of the facility and the communication of good water use, hygiene and related practices.

“Child headed household” means a household where both parents are deceased or absent for whatever reasons, and where all occupants of property are children of the deceased or absent parents and are all under the legal age to contract for service and are considered as minors by the laws of the Republic of South Africa;.

Consumable municipal services” means water and electricity consumed by the owner or occupants of a property and matters incidental thereto;

“Designated employee” means –

- [a] any official of the Emfuleni Local Municipality;
- [b] any person, excluding an independent contractor, who works for Emfuleni Local Municipality and who receives, or is entitled to receive remuneration;

“**Employee**” means any person, excluding an independent contractor, who works for another person or for the State and who receives, or is entitled to receive, any remuneration; and any other person who in any manner assists in carrying on or conducting the business of an employer, and 'employed' and 'employment' have meanings corresponding to that of 'employee'

“**Executing authority**” means the Municipal Manager/Accounting Officer;

“**Household**” means a registered owner or tenant with or without children who reside at the premises within the area of authority of Emfuleni Local Municipality;

“**Households Deemed Indigent**” means residents in occupancy of and living in property with a value as determined by the designated municipal valuer in the certified property valuation roll at R250 000 (two hundred and fifty thousand rand) and lower.

“**Indigent**” also means any household or any category of households (including those living in property above the value of R250 000 (two hundred and fifty thousand rand), including a child headed household, who lacks the necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing and whose earnings is a combined gross income of equal to or less than two state pensioners plus R2000.00 (two thousand rand) as determined by the Municipal Council from time to time, and such qualifies for rebates and or remissions and or support service subsidy from the municipality: Provided that the child grant is not included when calculating the household income;

“**Indigent subsidy**” means: the subsidy provided by a municipality for free basic services in the form of electricity or other power options, water, sanitation, waste removal and property rates and taxes and sundries as determined by the Municipal Council from time to time;

“**Indigent Management System**” is an electronic management system used by a municipality for the smooth, efficient and effective registration of indigent households;

“**Indigent Register**” means the database of all approved or registered indigent households within a municipality which must be updated on a monthly basis and is designed to include all the data contained within completed indigent application form, attached herein as **annexure “A”**;

Comment [RK1]: Suggest Remove this.

“**Gross pay**” means an employees pay before any deductions such as income tax and benefits however, while an annual salary is a set figure, a gross pay may exceed the annual salary whereby an employee, for example is guaranteed overtime work and in such an instance, the gross pay is higher than the set salary

“Municipality” means Emfuleni Local Municipality, a municipality contemplated in Chapter 7 of the Constitution Act, 1996, and established pursuant to Chapter 2 of the Local Government: Municipal Structures Act, Act 117 of 1998, as amended or its successor-in-title, or

- a) the Municipal Manager of the Emfuleni Local Municipality in respect of the performance of any function or exercise of any right, duty, obligation or function in terms of this policy; or
- b) an authorized agent of the Emfuleni Local Municipality.

“Municipal Council” means the Municipal Council as referred to in section 157(1) of the Constitution Act, 1996;

“Municipal Manager” means the person appointed by the Municipal Council as the Municipal Manager of a municipality in terms of section 82 of the Local Government: Municipal Structures Act, Act No 117 of 1998, and it includes any person

- a) acting in such position; and
- b) to whom the Municipal Manager has delegated a power, function or duty in respect of such delegated power, function or duty;

“Occupier” means a 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;
- c) where the owner is absent and his or her whereabouts are unknown or is deceased (this includes child headed families)

“Owner” means, in relation to immovable property, –

- a) the person unto whom the legal title is vested : Provided that –
 - (i) the lessee of immovable property, in a residential property, which is leased for a period of not less than ten (10) years and such lease must be registered with the Office of the Registrar of Deeds Office in terms of the Long term Lease Agreement Act , however, if the lease is for a period of less than ten (10) years, it is not necessary for it to be registered with the Office of the Registrar of Deeds

but the lease must be in writing and signed by both parties (the lessor and lessee) and the rental amount must not be more R2000,00 (two thousand rand) per month;

- (ii) the occupier of immovable property who occupied such property in terms of a servitude or right similar thereto shall be deemed the owner thereof;
- b) if the owner is deceased, insolvent or has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by an order of court or is 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, shall be deemed to be owner thereof;
- c) if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who act as the agent or otherwise receives or is entitled to receive the rent in respect of such a property is deemed an owner;

“Retired persons” means someone who has retired from active work and receives a monthly pension or has received a lump sum of his or her pension or provident fund

“Rates” means any tax, duty or levy imposed on property by the Municipal Council;

“State employees” means people who are employed by either the National, Provincial and Local Spheres of Government, including state and municipal entities;

“Tenant” means a registered occupant of a property owned by the municipality or an individual or a family sharing the same property with the legal owner who may or may not be related to the said owner and has the responsibility to pay for the consumable services of the municipality and or rental;

3. APPLICABLE LEGISLATION, BYLAWS AND POLICIES

This policy is designed and aligned within the framework of the following legislation and policies:

- a) Constitution of the Republic of South Africa, 1996,
- b) Conditions of National Equitable Share Grant (“S” Grant) earmarked for service delivery to the poor;

- c) Emfuleni Local Municipality's Credit Control , Debt Collection and Customer Care Bylaws and Policy;
- d) Emfuleni Local Municipality's Tariff Policy;
- e) Guidelines for the implementation of the National Indigent Policy by Municipalities by Department of Local Government, now known as Co-operative Government and Traditional Affairs;
- f) Local Government: Municipal Systems Act No. 32 of 2000;
- g) Local Government: Municipal Finance Management Act 56 of 2003;
- h) Local Government: Property Rates Act, Act 6 of 2004;
- i) Labour Relations Act, Act 66 of 1995;
- j) Promotion of Administrative Justice Act 3 of 2000 and;
- k) Promotion of Access to Information Act 2 of 2000;

4. THE OBJECTIVE OF THE POLICY

The objectives of this policy are to:

- a) provide basic services to the residents of a municipality in a sustainable manner within the financial and administrative capacity of the municipality;
- b) provision of procedures and guidelines for the subsidization of free basic services;
- c) enhance the municipality's financial viability through the collection and debt management policy;
- d) ensure the sustainability of free basic services through the determination of affordable tariffs through cross subsidization;
- e) establishment of an indigent process plan for the identification and management of the indigent households and cleaning of the indigent register on an ongoing basis;
- f) ensuring the development of a socio-economic analysis and the indigent exist strategy and
- g) to ensure co-operative governance with other spheres of government, including other municipalities.

5. SCOPE OF THE POLICY

This policy is intended for the poor and the disadvantaged communities residing within the area of authority of the Emfuleni Local Municipality only.

6. PRINCIPLES OF THE POLICY

- (1) In order to achieve the above mentioned objectives of this policy, the municipality undertakes to promote the following principles:
- a) The Municipality must ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienation of any group of household consumers. There should be no differentiation whatsoever of any residential consumers, except in the level of services rendered;
 - b) The subsidy for minimum service levels should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement;
 - c) It should be based on a predetermined period or a financial year;
 - d) to ensure that the equitable share received by the municipality from the National Government is utilized for the benefit of the poor only and is not used for the subsidization of those who can afford or do not qualify as indigents;
 - e) To link this policy with the municipal Integrated Development Plan, Local Economic Development Strategy, Credit Control and Customer Care Bylaws, Property Rates Bylaws, Tariff Policy and Poverty Alleviation initiatives of the municipality, and other relevant policies;
 - f) To promote integrated approach to free basic services delivery and
 - g) To engage the community in the development and implementation of this policy , through public participation, Executive Mayor's Imbizos, ward councilors and Community Development Workers meetings.

7. SOURCES OF FUNDING

- a) The Municipality shall provide funds annually on its budget for the subsidization of the indigent households for rates and taxes, refuse removal, water and sanitation as well as electricity. Such amounts shall be increased annually based on the financial performance of the Municipality as well as its Tariff Policy
- b) The indigent households shall also be financed from the equitable share contributions that the Municipality receives from the National Government.
- c) Existing indigent arrears on rates and other consumable service charges shall be placed in abeyance for a period of 3 (three) years and shall be written off against the provision for bad debts after the said period and
- d) Indigent households may be required to convert from conventional methods of supply of consumable services to prepaid or smart meters, whichever comes first, and the costs thereof can be met by the equitable share funds.

8. QUALIFICATION CRITERIA

- 1) There are several ways in which the indigent can be targeted for the indigent subsidy and the wider social services provided by a municipality, including service levels, service consumption, property value, household income and geographic (zonal) targeting. The municipality has targeted its indigent households through the socio-economic information and performance indicators contained in the IDP, local economic development initiatives and its other poverty alleviation programmes.
2. For one to qualify as an indigent, he or she must meet all the requirements set out below.
3. The Municipality has, within its financial and institutional capacity, chosen to use the following qualification criteria:
 - (a) **South African Citizens:** Members of the household must be South African citizens with a valid identity document or passport or are foreigners who are officially granted permanent resident permits by the Republic of South African Government or have recognised refugee status, as the case may be, and must produce proof of such status. They must also comply with the other criteria/requirements mentioned in this policy.
 - (b) **Residents:** The applicant(s) must be residents residing within the jurisdiction of Emfuleni Local Municipality.

- (c) **The means test:** A single household residents in occupancy of and living in property with a value as determined by the designated municipal valuer in the certified property valuation roll at R250 000 (two hundred and fifty thousand rand) and lower where the combined income of the household (gross household income) does not exceed the poverty threshold value, as determined by the Municipal Council from time to time or state social grants excluding child grants per month as well as deceased estate monthly interests received by minor children held in Trust on their behalf. The formula used by the municipality is the two State Pension Grant as determined by the National Government from time to time plus R2000.00 (Two thousand rand).
- (d) **Residential Properties and the market value of the property**
- (i) Property owners who reside within the area of authority of the Emfuleni Local Municipality and are homeowner must reside at that property. Only one person per household is allowed to make an application;
 - (ii) Individuals who own more than one property and one of the properties is occupied by "a poor family" with no rental payable and such a family meet all the stipulated requirements, such a family may apply for indigent subsidy. An affidavit to the effect that there is no lease agreement and no rental is payable and a certified copy/copy of the identity of the owner must be attached to the application.
 - (iii) An individual or owner with more than one property which he or she lets out to poor families or other families for business purposes shall not qualify for indigent subsidy.
 - (iv) Individuals/Applicants whose properties are above the market value of R250 000.00 (two hundred and fifty thousand rand) but their total household income is below the threshold and meet other requirements laid down in this policy may qualify for indigent subsidy
 - (v) Individuals/applicants whose properties are below or fall within the market value of R250 000.00 (two hundred and fifty thousand rand) but the total household income is above the set threshold, such an individual/applicant shall not qualify for indigent subsidy.
 - (vi) Properties of indigent households which are sold before the write offs are made or the account(s) is/are still held in abeyance, that is, within three years of being registered as indigent in respect of ordinary properties and within

seven years in respect of RDP houses, the owner of such a household shall be held liable for the arrears with retrospective effect from date of being declared indigent to the date of sale of the property as per the Municipality's Credit Control, Debt Management and Customer Care Bylaws and Policy and the Local Government: Municipal Systems Act.;

- (vii) Property of indigent household may be inspected after a period of three years to determine validity of application and check if the social status of the indigent has changed or not. Notwithstanding this, it is the responsibility of the registered individuals to update the municipality of the change of their social status, if any, on an annual basis failing which the municipality reserve the right to cancel the indigent subsidy.
- (viii) Properties which are not zoned residential, such as financial institutions, companies, Non-Governmental Organisation, Community Organisations, Schools, Churches shall not be considered under this policy;
- (ix) Persons who own unimproved properties and are in occupation thereof, with or without services such persons may qualify for subsidies: Provided that they meet the other requirements mentioned in this policy;
- (x) People who own bonded houses do not qualify for free basic services or indigent support as stipulated in this policy taking into consideration that a municipality is a preferential creditor as opposed to the banking institutions;
- (d) **Account Holder:** The household owner or occupant must be a resident of and have a registered active account with the Emfuleni Local Municipality,
- (e) **Tenants:** A tenant or occupier as defined in this policy may apply for subsidization of the consumable charges if he or she or they are consumers of water and electricity and are responsible for payment of a rental fee to the Landlord which is not above R2000.00 (two thousand rand). A valid lease agreement between the occupant(s)/tenant of the property and the landlord must be provided to the municipality as proof of such arrangement. The occupant must also meet the other stipulated requirements as contained in this policy. On the other hand, the landlord remains liable for all ownership related charges such as rates and taxes and other sundries related thereto.
- (g) **Deceased Estates:** The household of a deceased estate may be subsidised if the surviving spouse and or dependants of the deceased who occupy the property apply for assistance: provided that the applicant(s) produces the death certificate of deceased and make a sworn affidavit whereby he or she declares

his or her relationship with the deceased. All other requirements must be met as stipulated in this policy; provided the surviving occupants are assisted to attend to the administration of estate through pro bono attorneys.

- (h) **Child headed Families:** Children who are under age and do not have the capacity to enter into any legal contracts, such as services level agreement with the municipality, must be assisted by the Social Workers in applying for indigent subsidy from the municipality or the next of kin. The death certificate of the parents or an affidavit that the whereabouts of the parents are unknown must be attached to the application: Provided that the minor children are assisted in the administration of the estate of their parents if deceased through pro bono attorneys
- (i) **State employees:** People who are employed by the state, state entities, municipalities or municipal entities do not qualify indigent subsidy and
- (j) **Pensioners:** Pensioners who earn less than the set threshold and meet other requirements set in this policy may qualify for indigent subsidy.

9. REQUIRED DOCUMENTS

- (1) Residents in occupancy of and living in property with a value as determined by the designated municipal valuer in the certified property valuation roll at R250 000 (two hundred and fifty thousand rand) and lower will be deemed indigent residents; with the municipality establishing processes to verify those that will be excluded in terms of this policy.
- (2) Other residents of the municipality who wish to apply as indigent and who comply with the above mentioned requirements for qualification must submit the following documents:
 - (a) A completed application form which is obtainable from the Health and Social Development Department of the municipality, which is attached as schedule "A" to this policy. Copies of the application form shall not be accepted by the municipality.
 - (b) An official will explain to the applicant how to complete the form and also check if the applicant is already registered as an account holder or has a prepayment electricity meter. Furthermore, the responsible official of the municipality must assist the applicants to fill in the necessary forms, especially those who cannot read and or write.

- (c) The completed application forms must be signed by Ward Councilor and one Ward Committee Member. If any ward does not have a ward committee as required by law, the signature by the ward councilor alone shall suffice.
- (d) The following documents must be attached to the application form referred to above and they are:
 - (i) Certified copy of the applicant(s)' South African Identity Document or permanent residency document(s) or refugee status permit, as the case may be, together with those who reside with him or her and are above the ages of eighteen (18) years old.
 - (ii) If the applicant and his or her spouse are pensioners receiving a social grant from the State, he or she must submit a certified letter from Sassa or a certified current slip from the pay-point which is conclusive evidence that he or she or they are recipients of the State Grant;
 - (iii) Certified Proof of residence or active municipal account;
 - (iv) Certified Proof of ownership of property , if any;
 - (v) Certified copy of the lease agreement between the occupant and the landlord where the occupant is the applicant;
 - (vi) Certified marriage certificate of marriage, if married;
 - (vii) Certified divorce court order, if divorced,
 - (viii) Certified death certificate of the deceased account holder, if the applicant is not the account holder as well as sworn affidavit indicating the relationship between the deceased and the applicant(s).
 - (ix) Certified Proof of financial status by the applicant and his or her spouse and his and other occupants of the property who are above the ages of eighteen (18) years old. If the said people are not working, they must also make affidavits or confirmatory affidavits, if the main applicant(s) has mentioned them in his or her main affidavit.
 - (x) Certified bank statements of all the accounts in the name of the applicant(s) for the past three (3) months and or spouse and or

breadwinner where applicable or a sworn affidavit where the applicant(s) and or spouse and or bread-winner and those above the ages of eighteen (18) years, who are occupants of such a household, does not have any bank account(s).

- (3) All the certified copies mentioned in subsection (1) above, must not be longer than three months and should the certified copies be older than three months old, the municipality will not recognize or consider such.
- (4) The applicant who submits an incomplete application form or fails to submit the requested documents or has not submitted all documents required, will be advised accordingly and if he or she fails to respond within one (1) month, his or her application will be rejected and such an applicant cannot lodge any complaints against the municipality.

10. **ASSESSMENT AND SCREENING OF APPLICATIONS**

- (1) The application form is recorded and applicant issued with a card or acknowledgement of receipt of application form by the Health and Social Department of the Municipality.
- (2) The information on the Municipal Indigent Management System must be checked to determine whether the applicant is already registered as an indigent as well as to check when these existing applications must be reviewed.
- (3) Official checks the applications to establish if they are properly filled and that the recommendations or signature of the relevant Ward Councilor and one member of his or her ward are attached. Incorrect or incomplete forms are returned to the applicant for rectification or proper completion. Advisably, this must be done at the time the applicant submits his or her application.
- (3) Application forms and attached documents must be scrutinised for correctness of details supplied
- (4) An external scan shall be used to verify the information provided by the applicant(s) and the scan must be able to provide information such as the social status of the applicant(s)/employment status, his or her earnings, number of properties owned by the applicant. Retail and Credit Bureau information and any other information which may be of assistance to the Municipality when the external scan verification is undertaken may be used by the municipality.

- (5) Field workers are sent to the household to verify the status of applicant(s). The Field Worker then assesses the applicant and make the necessary recommends to his or her superior(s).
- (6) The application is approved and signed by the Head of Health and Social Development or his or her delegatee.
- (7) The approval or rejection of the application must be communicated in writing to the applicant. If the application is rejected, reasons for such rejection must be provided to the applicant.

11. **APPROVED APPLICATIONS**

- (1) All applications that meet the prescribed requirements shall be processed on the Indigent Management System of the Municipality and submitted to the Finance Department for final cross checking, capturing, putting debt in abeyance and writing off of the existing arrears on the approved indigents accounts in line with the Credit Control, Debt Collection and Customer Care Bylaws and Policy of the Municipality. Should there be any discrepancies in the processed application(s), the Finance Department must return the application(s) to Health and Social Development for rectification or re-evaluation.
- (2) A copy of the approved application is sent to the Prepaid Electricity Vending section for the applicant to be flagged as Indigent in the prepayment system. This ensures that the applicant gets his/her monthly free issue and is charged the indigent tariff. The total monthly subsidy applicable on service charges will be reflected on the monthly statement of account after approval.
- (3) In areas where Eskom is the supplier of electricity, the Finance Department of the municipality will ensure that Eskom is provided with the list of the approved indigents, their physical addresses, their account numbers and the meter numbers on a monthly basis so as to enable Eskom to provide the indigents with the 50kWh with 20amp connection. In return Eskom shall charge the municipality for the free basic electricity as provided for in the Service Level Agreement that shall be entered into between the Municipality and Eskom. However, if the indigent exceeds the limit of electricity so provided, he or she shall be held liable for the excess used on a monthly basis. The municipality shall endeavor to use various means to prevent excessive usage and control the quantum of services provided as stated in the policy.

12. PROVISION OF FALSE INFORMATION AND PENALTIES

- (1) The applicants shall be required to sign and submit a sworn affidavit to the effect that all the information provided in the application form(s), together with the annexure, are a true reflection of his or her social status.
- (2) If it is ascertained before the Indigent Subsidy has been granted that the applicant has provided false information on the application form, or does not stay on the property, the application will be referred to the Social Worker(s) of Health and Social Development Department to be declined and a letter written to the applicant to inform him or her of the outcome.
- (3) If it is established after the Indigent Subsidy has been granted that the household has submitted fraudulent information, then the subsidy shall be immediately cancelled retrospectively from the date of implementation and the relevant Ward Councilor, through the Office of the Speaker, shall be informed accordingly. The account shall be subjected to a penalty fee.
- (4) An applicant who has submitted fraudulent information will also be barred from making any indigent application for a period of three (3) years and
- (5) The Municipality reserves the right to institute criminal charges/proceedings against the fraudulent applicants.

13. SERVICE TO BE SUBSIDISED AND THEIR LEVELS

- (1) The extent of the monthly indigent support granted to indigent households shall be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

(2) Water and sanitation

Approved indigent registered households shall receive subsidized water to a maximum of 6kl per month, including the basic service charges for such supply: Provided that

- (i) where the consumption exceeds 6kl of water per month, the municipality is entitled to install smart meter or prepaid system with or without the consent of the indigent so as to curtail misuse of water.
- (ii) Where excessive consumption is partly due to the leaking or poor plumbing, the municipality may install a yard connection to the outside dwelling and the meter reading or the smart meter, whichever comes first.

- (iii) In the case of un-metered households, the subsidy shall be equal to the applicable flat rate as determined by the Municipal Council
- (iv) Sanitation or sewer subsidy shall be granted if the required criteria as mentioned above are met and the subsidy shall be determined at the beginning of every financial year and not more than the applicable tariff for a that year, shall be applied for the duration of that particular year
- (v) If the indigent consumer's consumption or use services is less than the subsidized service or free basic service, the unused service portion may not accrue to the customers and the customer shall not be entitled to claim cash or rebate in respect of the unused service portion.

(2) Electricity

- (i) Approved indigent registered households shall receive subsidized electricity to a maximum of 50kWh with 20 amp connection, per month. The free basic services subsidy shall also apply to registered indigents households where Eskom is the supplier of electricity. The municipality will enter into a service level agreement with Eskom and supply Eskom with the list of registered indigents on a monthly basis.
- (ii) where the consumption exceeds 50kWh of electricity per month, the municipality shall bill the indigent the excess consumption used at a normal rate charged to other residents who are not indigents and the provision of the Credit Control, Debt Management and Customer Care Policy of the Municipality shall apply.
- (iii) The municipality reserve the right to install pre-paid meters or smart meters to indigent households which exceeds the limit of free basic electricity given, whichever comes first.
- (iv) Any tempering or illegal connections of the meters shall result in the withdrawal of the subsidy.
- (v) If the indigent consumer's consumption or use services is less than the subsidized service or free basic service, the unused service portion may not accrue to the customers and the customer shall not be entitled to claim cash or rebate in respect of the unused service portion. ..

(3) Refuse removal

Each registered indigent household shall be subsidised for refuse removal as provided for in the annual budget, depending on the tariff charges as determined per the municipal council resolution every financial year

(4) Property Rates

Approved indigent households shall in terms of the provisions of the Municipal Property Rates Policy read together with section 17(h) of the Municipal Property Rates Act, shall be subsidized for property rates as provided for in the annual municipal budget as approved by the municipal council from time to time.

(5) Market Related Rental

- (i) All registered indigents shall be subsidized to a maximum of sixty percent (60%) of the payment of site rental due to the municipality.
- (ii) All registered indigents shall be subsidized for the payment of site rental as determined and provided for by the municipal council in the annual budget from time to time.
- (iii) A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular year.

14. HOUSING ASSISTANCE

Housing assistance shall be provided as a means of technical matter rather than financial support. The Municipality shall endeavor, in collaboration with the Gauteng Department of Human Settlement, to identify sufficient land, whether it is government or private land, within the area of authority of the Municipality, in appropriate locations, for all residents in the municipality and that the necessary planning is undertaken to ensure that such land can be properly developed. Furthermore, the partners as mentioned in

this clause, must ensure that funding is available for land so identified and that housing is provided to the indigents.

15. SHORT TERM ASSISTANCE

- (1) An indigent person in incidental distress may, on application, be assisted for a period not exceeding twelve (12) months subject to acceptable proof of such distress being submitted to the municipality. Incidental distress shall mean a person who is:
 - (i) Temporarily unemployed due to sick health or is being medically boarded
 - (ii) Hospitalised
 - (iii) Vacating their households for example the sick, to be cared for by relatives. Such persons qualify for assistance if they are not receiving any assistance from any other source: Provided that there is no source of income for the household during such distressed period.

16. PROCESS MANAGEMENT

(1) Validity period

The validity period for assistance will be for a maximum period of twelve (12) months except for those in receipt of social grants and child headed families. Existing indigent customers except deemed indigents in terms of this policy must reapply by end of March each year to renew their indigent status. Notification to this effect will be advertised annually and ward councilors informed of the indigent consumers that must renew their indigent status. This will give the Municipality time to cater for the required number of indigents when undertaking its Integrated Development Planning and Budgeting.

(2) Death of registered applicant

In the event that the approved applicant passes away, the heirs to the deceased estate may apply for indigent subsidy: Provided that he or she or they comply with the requirements mentioned above.

(3) Publication of register of indigent households

Names of indigent beneficiaries must be open for public perusal and comment. Written objections from the public must be referred to the Indigent Head of Health

and Social Development Department who shall be responsible for investigating the validity of the complaint and for taking appropriate action.

17. TERMINATION OF INDIGENT SUPPORT

- (1) Indigent support will be terminated under the following circumstances:
- (a) Death of the account holder who was registered as an indigent;
 - (b) End of the twelve (12) month cycle, except for those deemed indigents, those in receipt of social grants and child headed families;
 - (c) Upon change of ownership of the property in respect of which support is granted;
 - (d) When circumstances in the indigent household have improved in terms of gross income threshold as prescribed by the Municipal Council.
 - (e) If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding his or her indigent status, in which case the following will apply:
 - (i) All arrears will become payable immediately;
 - (ii) Stringent credit control measures will apply and
 - (iii) The applicant will not be eligible to apply for indigent support for a period of three years.
 - (iv) Criminal charges may be instituted against such an applicant

18. AUDIT AND REVIEW

- (1) The Municipality shall conduct regular audits of the indigent register with regard to:
- (a) the information furnished by applicants,
 - (b) possible changes in status,
 - © the usage of allocations and the stringent application of the Credit Control, Debt Collection and Customer Care measures where consumption is in excess;

- (d) The frequency of such audits and audits of the register shall be on a monthly basis, with a completed review scheduled for at least every three (3) years, depending on the institutional capacity of the Municipality to do so. Monthly targeted audits and reviews should be undertaken, with a complete review scheduled for at least every five (5) years.

19. EXIT PROGRAMME

- (1) Members of households registered as indigent must be prepared to participate in exit programmes coordinated by the Municipality in collaboration with other government departments and the private sector.
- (2) As part of its poverty reduction programme, the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development initiatives and in the implementation of integrated development programmes where possible.
- (3) The municipality shall promote the exit from indigence by:
 - (a) Conducting continuous verification of the register;
 - (b) Identifying indigents for inclusion in public works projects;
 - (c) Initiating local job creation projects through the Local Economic Development Strategy;
 - (d) Facilitation of opportunities to enter the informal trade market
 - (e) Facilitation of food security projects.

20. MONITORING AND REPORTING

- (1) The Deputy Municipal Manager: Public Safety and the Chief Financial Officer shall report quarterly to the Municipal Manager through the municipality's Service Delivery and Budget Implementation Plan (SDBIP's) in a suitable format, to enable the Municipal Manager to report to the Municipal Council and other interested parties and such report shall reflect on:
 - (a) Number of indigent households who applied and were approved
 - (b) Number of indigent applications which were rejected;
 - (c) Time taken to process and finalise applications;

- (d) Site visits undertaken;
 - (e) Amount of subsidy allocated per service category
 - (f) Amount of debt accumulating and debt recovery information, ideally divided into wards, domestic, state, institutional and other such divisions
- (2) Performance of all areas against targets set in the municipality's performance management system
- (a) Changes in the registered status of indigents
 - (b) Awareness initiatives
 - (c) Exit initiatives

21. APPEALS

- (1) Any aggrieved person who was not successful in the application to be regarded as an indigent, may lodge an appeal to the Municipal Manager within a period of fourteen (14) days from the date on which the aforesaid decision was communicated to the applicant.
- (2) The Municipal Manager may delegate this function to the Chief Financial Officer and this does not preclude the Municipal Manager to establish an appeals committee.

22. CAPACITY BUILDING AND EDUCATION CAMPAIGNS

- (1) The municipality must ensure that all officials, especially those in the Health and Social Development and Finance Departments, as well as all ward councilors are appropriately capacitated in Free Basic Services in terms of the following key areas:
 - (a) Database management
 - (b) Demand and revenue management
 - (c) Policy and by-law implementation
- (2) **Communication** - The municipality will through its communications strategy inform and educate communities within its area of authority in order to have a clear understanding of this policy, its implementation and limitations. Regular

information dissemination regarding this policy through ward committees, community based Organisations and face to face contact by means of Mayoral Imbizos will be undertaken.

- (3) The municipality shall also embark on programs or campaigns to inform or identify households that are indigent, in order to register them on the Municipality's database, so that they can access the benefits and support in terms of this policy.

23. REVIEW OF POLICY

This policy is subject to review annually, if necessary.

24. EFFECTIVE DATE

The effective date of this policy shall be the 1st of July 2017 or the date on which the Municipal Council approves the policy, if such date is after the commencement of the new Municipal Financial year of 2017/2018.

SCHEDULE A

The Municipal Indigent Application Form as attached.

SCHEDULE B

DECLARATION BY APPLICANT/S:

I/We, the undersigned,

Do hereby make an oath and state that:

1.

I am an adult female/male, and employed by _____
or is unemployed and reside at

With Identity Number _____

2.

I am duly authorized to depose to this affidavit.

3.

The facts as contained herein are within my/our personal knowledge and I/we to the best of my/our belief both true and correct, unless otherwise indicated or contrary appears from the context.

4.

I/We hereby confirm that I/we are the residents of Emfuleni Local Municipality.

5.

I/we do not own any other immovable property locally or nationally, except the one mentioned in my/our application or I/we have more than one property but live below the poverty line.

6.

If my/our application is successful, I/we consent that the Municipality can publicise our name(s) as indigent(s) beneficiary (ies) for public scrutiny, perusal and comment.

7.

I/we will immediately inform the Head of Health and Social Development Department, in writing, should there be any change in my/our status, that disqualifies me/us as an indigent(s)

8.

I/we agree that if I/we have misrepresented myself/ourselves in the qualifying criteria in order to benefit from Municipality's indigent subsidy, I/we would be committing an offence and all benefits that have been received in terms of the indigent relief/subsidy will be reversed with retrospective effect from date of approval to the date the Municipality became aware of the fraudulent application. Any amounts due will be for my/our account and I/we will be subjected to normal debt collection procedures as contained in the Municipality's Credit Control, Debt Collection and Customer Care Bylaws and Policy.

9.

I/we understand that should my/our monthly contributions exceeds the free basic services allocated by the Municipality in respect of water and electrical consumption, I/we shall be responsible for the payment of the excessive consumption or usage as laid down in the Municipality's Credit Control, Debt Collection and Customer Care Bylaws and its Policies. Should the amounts due and payable by me/us remain unpaid, my/our water supply shall be restricted and the electricity supply suspended pending the payment referred in this clause. The municipality reserves the right to install prepaid system or smart meters in instances whereby I/we exceed the provided water and electricity consumption with or without our consent.

10.

The Municipality may conduct investigation(s) to confirm any of the information provided by me/us and I/we hereby agree to any on-site visit(s) by any municipal official identifiable as such.

11.

I/we accept that this application, if successful, will only be valid for a period of twelve (12) months from date of approval and the onus will be on me/us to re-apply three (3) months before the expiry date or before the start of the new financial year, whichever comes first.

12.

I/we acknowledge that if my/our application is successful, the Municipality will be suspending any debt collection action and the arrears incurred by me/we before the approval shall be put in abeyance for a period of three before it is official written off in terms of the Property Rates Policy.

13

I/we grant the municipality the right to check our personal information from the Credit Bureau when undertaking verification of my/

14.

This application will be subject to the terms and conditions as contained in Council's Credit Control, Debt Collection and Customer Care Bylaws, Policy, Tariff Policy, Rates and Property Act and its Policy and any other relevant legislation applicable to this policy.

SIGNATURE BY DEPONENT(S)	DATE

SIGNED AND SWORN BEFORE ME AT
ON THEOF201 , DEPONENT HAVING
ACKNOWLEDGE THAT HE/SHE/THEY KNOW(S) AND UNDERSTANDS THE
CONTENTS OF THIS AFFIDAVIT AND HAS/HAVE NO OBJECTION IN TAKING THE
PRESCRIBED OATH AND CONSIDERS SAME TO BE BINDING ON HIS/HER/THEIR
CONSCIENT(S).

COMMISSIONER OF OATHS: _____

NAME AND ADDRESS: _____

RANK: _____