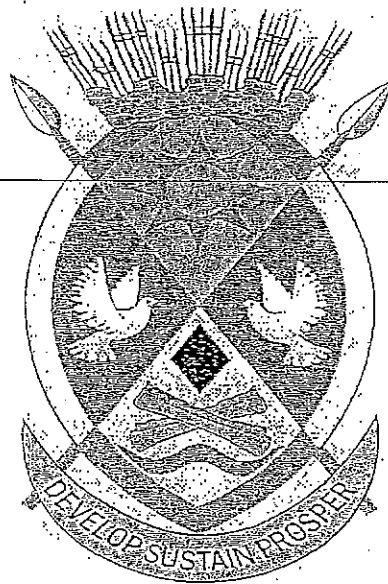


LEPHALALE LOCAL MUNICIPALITY



INDIGENT POLICY

1. PURPOSE

The purpose of this policy is to determine how the municipality will assist the members of the Lephalale community that cannot afford basic municipal services. It will help the municipality to fulfill its obligation of service delivery and eventually improve the lives of the under-privileged people.

2. BACKGROUND

Section 74.2(c) of the Local Government Municipal Systems Act, 32 of 2000 states that poor households must have access to at least basic services through:

- Tariffs that cover only operating and maintenance costs;
- Special tariffs or life line tariffs for low levels of use or consumption of services of for basic levels of services; and
- Any other direct or indirect method of subsidization of tariffs for poor households.

Section 97(c) of the Local Government Municipal Systems Act, 2000 states that a municipality must make provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents.

3. POLICY INTENTIONS

The primary intention of the policy is to ensure that no one is completely denied access to a basic service for reasons of inability to pay for such a service. Underlying this policy is the recognition that the supply of a "basic" service assists in alleviating poverty and improves level of the communities within the Area.

Free Basic Services will be implemented progressively in accordance with the ability of Council to render any of the specific services in various areas within its jurisdiction, in accordance with the levels of service which are appropriate and affordable.

4. DEFINITION : INDIGENT

Indigents refer to those households who due to socio economic factors are unable to make a full and required monetary contribution towards services provided by the municipality.

The following requirements must be met before a person can be regarded as an indigent:

- 4.1 The applicant/person must be over eighteen (18) years of age;
- 4.2 The total household income per month must be less than R3,500.00, subject to annual adjustment by council
- 4.3 The applicant/person must have an active services account with the municipality.

- 4.4 The applicant/person must occupy the site legally and be a full-time occupant of the property concerned.
- 4.5 The applicant must not own any other property in or out of the parameters of the municipality.

5. BENEFITS OF AN INDIGENT

Upon approval as an indigent, an applicant will receive the following benefits:

- 5.1 Free Basic Services which consists of:
 - 5.1.1 Six (6) kilo-liters of water per month
 - 5.1.2 50 kwh of electricity per month
 - 5.1.3 Subsidy on property rates and service charges for sewerage and refuse removal. The amount of subsidy will be determined and adjusted by council on a yearly basis.
- 5.2 All outstanding arrears of the approved indigent will be written off against the provision for bad debts.

6. APPLICATION OF THE POLICY (SUBSIDY)

~~Subsidies on rates and service charges will be determined as follows:~~

- 6.1 Water : A 100% subsidy up to 6 kl per household per month; however if consumption exceeds 6kl per month, the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding the stipulated figure.
- 6.2 Electricity : A 100% subsidy up to 50 kwh per household per month; however if consumption exceeds 50 kwh per month the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding the stipulated figure.
- 6.3 Sewerage and Refuse Removal : It shall be more than 50% on the monthly amount billed for the service concerned.
- 6.4 Property rates : A rebate of 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value of above R30 000.
- 6.5 The overall subsidy shall be determined by Council from time to time based on the South African Local Government Association (SALGA) policy proposal for indigent debtors..
- 6.6 If the household uses more than the free allocation and does not pay for the additional service by the due date shall have supply of the service disconnected until such the suitable payment arrangements are made.
- 6.7 No interest is payable on the arrears of consumers who are approved as indigents.

7. REGISTRATION FOR INDIGENCY

- 7.1 The applicant must personally complete and sign the registration form provided by the municipality.
- 7.2 The following documents must be submitted with the application form:
 - 7.2.1 Applicant's identity document
 - 7.2.2 Latest municipal account
 - 7.2.3 Token slip for Electricity
 - 7.2.4 Documentary proof of total monthly income of the household (e.g. UIF card, salary advice, letter from the employer, etc) or declaration to the effect that no income is currently generated by the household.
 - 7.2.5 An affidavit to the effect that all information supplied is true and that income from all sources has been declared.
 - 7.2.6 A recommendation from a Ward Councillor.
- 7.3 The application forms will be processed and information provided will be assessed and screened by the Indigent committee
- 7.4 The Indigent Committee will therefore approve or reject the applications and forward information to finance to implement.
- 7.5 Indigent households must re-apply for indigent support before the end of March each year.
- 7.6 In case where the owner of the property passed away, the person who inherited the property will be allowed to apply for indigent assistance, provided all the aforementioned conditioned are met.
- 7.7 All applicants will be informed in writing about the outcome of their applications.
- 7.8 The approved applicants will be entered into the municipal indigent register which will be updated at least once a year.

8. AN INDIGENT COMMITTEE

A ward committee which comprises of the following people will be formed:

- A councilor
- Ward committee member
- A municipal official
- Village Committee member

9. DE-REGISTRATION OF AN INDIGENT

9.1 The following conditions can result in an indigent been de-registered:

- 9.1.1 By failing to comply with the terms of the policy agreement;
 - 9.1.2 By tampering with the installations of the municipality.
 - 9.1.3 By providing fraudulent information to the municipality in regard to any material condition for registration as an indigent. In this instance, the person will immediately be removed from the register and shall be liable to repay to the municipality with immediate effect all indigency relief received from the date of such fraudulent registration. Moreover such person may not again be considered for indigency relief for a period of five (5) years.
- 9.2 The indigent must immediately request de-registration if the financial situation within the household has changed to an extend that they no longer meet the requirements to be regarded as indigents.

10 . CONCLUSION

Through this policy, Council endeavour to ensure the equitable treatment of all people residing in the area of jurisdiction of the Lephalale Municipality, and to improve the level of cost recovery for services rendered other than free basic services. The policy will promote consistency, clarity and achievement of the mission and objectives of the Lephalale Municipality.