

# **Ulundi Local Municipality**

**“The City of Heritage”**



## **Indigent Policy**

**Vers 02**

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# Ulundi Local Municipality Indigent Policy

## 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:

TERM	DETAIL
“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 1, 500 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 national 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 combined gross monthly income of all household occupants over 18 years of age may not exceed **R1, 500 per month** or any other amount approved by Council from time to time during the budget process.
  - (ii) The account holder 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 may not own any other property, whether in or outside of the municipal area.
  - (v) The subsidy will only be valid for 12 months whereafter the consumer who occupy or own the property must reapply.
  - (vi) The application may be approved by the Municipality after the information supplied has been verified.

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

- 5.1. Subsidies shall be limited to electricity; rates; refuse removal and sewerage disposal 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. In respect of electricity supply services, a free basic electricity of 50kWh per month will apply.
- 5.6. In respect of refuse removal services a 100% subsidy will apply.
- 5.7. In respect of sewerage disposal services a 100% subsidy will apply.
- 5.8. Owner or occupiers may also receive additional subsidy for rates and housing instalments and rent in terms of the Municipality's Rates Policy and National Housing Act.

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- 5.9. 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.
- 5.10. Annual service charges on the indigent's account will automatically be converted to monthly instalments.
- 5.11. The accounts of indigent households will be **exempted** from interest.
- 5.12. Where it occurs that consumers are minors due to circumstances (Child-headed households), 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** (refuse removal and sewerage disposal) on the consumer account will be written off.

### **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.
- 7.5. 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 misdemeanor was detected.

## **8. REPORTING REQUIREMENTS**

- 8.1. The Accounting Officer 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 Ulundi Local Municipality.

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**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. ....                      |   |

<b>8. Details of Gross Monthly Income (in Rands)</b>	<b>Husband</b>	<b>Wife</b>	<b>Children living with parents</b>	<b>Other</b>	<b>TOTAL</b>
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

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<b>8. Details of Gross Monthly Income (in Rands)</b>	<b>Husband</b>	<b>Wife</b>	<b>Children living with parents</b>	<b>Other</b>	<b>TOTAL</b>
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**



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## APPLICATION FORM CONTINUED

### CHECK LIST

	Yes	No
1. ID document		
2. Documentary proof of total gross income of household namely accounts holder, spouse and persons older than 18 years of age (including children) residing on the premises.		
3. List of all residents on premises. (Ages must be specified, and copies of Identity Documents attached).		
4. Proof of pension/grants.		
5. Proof of unemployment. Department of manpower and/or unemployment insurance certificate, original letter of religions leader to confirm unemployment and sworn affidavit by applicant.		
6. Birth certificates / ID documents of dependant children as well as a court order which confirms guardianship.		
7. Latest municipal rates and services account.		
8. Consumption of water and electricity verified.		
9. ITC check completed.		

### IMPORTANT NOTICE

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.

False information or the withholding of information will disqualify anyone from further participation in the subsidy scheme, with the liability of immediate repayment of all allocations received plus interest and the risk of possible criminal proceedings being instituted;

Should the gross income of a household increase and thereby exceed the approved limit during the subsidy time period (Increases, no longer unemployed), the registered consumer must immediately inform the Municipality. Failure to comply could result in the repayment of all allocations plus interest and the risk of possible legal steps being instituted.

The information contained in this document is not confidential. A list of approved applicants can be handed to Councillors for comments, as well as publicly displayed.

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Any accountholder qualifying for the allocation of these funds will be placed on limited supply of services. 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**