

Cederberg Municipality



INDIGENT SUPPORT POLICY

**FINANCIAL YEAR
2015/2016**

Reviewed February 2016

<u>Table of Contents</u>	Page
1 Purpose	3
2 Qualification; Subsidies and Conditions	3 – 5
3 Arrears on Accounts	5 – 6
4 Re-Evaluation on Processed Applications	6
5 Non-Compliance; Non-Qualifications	6
6 Withdrawal of Subsidies	6 – 7
7 Payment to Subsidies	8
8 Indigent Consumers' Application Form	8
9 Acknowledgement of Debt on Arrears on Accounts & Indigent application forms	9 - 17

1. PURPOSE

Based on the level of unemployment and subsequent poverty in the Municipality; there are some households that are unable to pay for their municipal services. In order to ensure these households have access to municipal services, the municipality needs to adopt an Indigent Support Policy to assist.

2. APPLICATION FOR THE INDIGENT SUPPORT POLICY

2.1 Who Qualifies for the Indigent Support

2.1.1 Households where the verified total gross monthly income of the total household of the property does not exceed an amount equal to twice the monthly government pension grant will qualify.

2.1.2 Households where Public, Municipal servants may reside do not qualify for the subsidy.

2.1.3 The identified households will be legible for a subsidy on general service charges, viz. 100% on sewerage, 6 kl of water and 50 units of electricity with a maximum to the actual amount as annually determined by Council.

2.1.4 In respect of water

2.1.4.1 Where the supply is metered, a 100% subsidy of water with a concession of up to 6 kl; however, if consumption exceeds 6 kl per metering period (month) the consumer will be charged for actual consumption exceeding 6 kl at normal tariffs; or

2.1.4.2 Where the supply is not metered 100% subsidy on the fixed charge.

2.1.4.3 The provisions of 2.1.2 above are subject to the provision that the consumer agrees in writing that the supply of water to the applicable premises may be restricted by a flow control washer.

2.1.4.4 Flow control washer will not be installed on the supply to communal pipes.

2.1.4.5 The subsidy for the 6 kl of water per month must be implemented by the Council's water services provider within the water operating budget. No subsidy for water will be paid to the service provider by the Council.

2.1.4.6 In the event of leakages occurring within the registered indigent households; the leak will be repaired by the municipality and the costs for repairs will be debited on the consumers account

2.1.5 In respect of electricity

2.1.5.1 Where a conventional electricity meter is installed, the first 50 kwh of electricity provided, will be supplied free of charge, the electricity connection to the house will be downgraded to a 20 Amp connection or the monthly prepaid electricity sales be limited to the amount as determined by the Council.

2.1.5.2 Where a pre-paid electricity meter is installed, a token for 50 units of free electricity per month will be issued with the first purchase of electricity for the applicable calendar month, with the provision that no retrospective, or advance issue of a token will be done.

2.1.5.3 Where a conventional electricity meter is installed, all electricity supplied in excess of 50 units must be paid in full in order to qualify for the provision of the free units. The total free units supplied will reflect on the consumers' monthly services account.

2.1.5.4 The supply of the free units of electricity in all instances will be subject to the amount annually determined by the National Government in respect of all services as indigent subsidy per household.

2.1.6 Sewerage

A subsidy as determined by Council annually per budget processes on the normal single household tariff will be given to the indigent customer on a monthly basis.

2.1.7 Refuse removal

A subsidy as determined by Council annually per budget processes on the normal single household tariff will be given to the indigent consumer on a monthly basis.

2.2 Conditions of Receiving Indigent Support

2.2.1 The consumer must agree in writing that the supply of water to the premises may be restricted by a flow control washer or other method.

2.2.2 A flow control washer or other restriction device may be installed at the discretion of the Council, where the water consumption of an indigent household exceeds the limit agreed upon.

The subsidy will only apply where the consumer agrees to in writing to the restriction of the water supply by a flow control washer.

2.2.3 The consumer agrees in writing that all electricity provided over and above the 50 free units will be paid in full on a monthly basis, and where a consumer defaults in payment the supply of electricity will be discontinued until such time that the arrears as well as the reconnection fee has been paid in full. The consumer also agrees that the demand will be restricted to 20 Amps and/or the monthly prepaid electricity sales be limited.

3. INDIGENT HOUSEHOLD ARREARS

Consumers will be liable for all arrears accrued before the commencement of the indigent contract. Arrangement must be made to pay all outstanding amounts through the signing of the acknowledgement of debt form.

Each household subsidised in terms of this policy will be required to repay the arrears as follows:

- (i) Section 17 (a) of the Credit Control and Debt Collection Policy as approved by Council will take precedence.
- (ii) Municipality may recover any arrears due on any account of a consumer registered as an indigent by means of applying the 60/40 auxiliary system of recovery where 60 percent of the amount offered will be allocated to the purchase of the electricity and 40 percent will be allocated to the arrears on the account.

- (iii) Municipality may also recover any arrears due on any account of a consumer registered as an indigent by means of applying the 40/60 auxiliary system of recovery where 40 percent of the amount offered will be allocated to the purchase of the electricity and 60 percent will be allocated to the arrears on the account
- (iv) Municipality may also recover any arrears due on any account of a consumer registered as an indigent by means of applying the 80/20 auxiliary system of recovery where 20 percent of the amount offered will be allocated to the purchase of the electricity and 80 percent will be allocated to the arrears on the account.

The subsidy will only be provided subject to the provision that the consumer agrees in writing that the payment of arrears will be maintained at the minimum levels specified in (i) above.

4. RE-EVALUATION OF INDIGENT REGISTER

4.1 The provision of this subsidy policy above will be re-assessed annually in order to ensure proper control and management of the indigent register and the payment of subsidies.

4.2 All clients who apply for the Indigent Grant will be scrutinised by the Indigent Register Committee.

4.3 The Indigent Register Committee will consists out of the Chief Financial Officer, the Manager Treasury Services, the Accountant Credit Control and Debt Collection and relevant Credit/ Client care officials. Relevant Ward Councillors will be part on an ad-hoc basis during the verification of applications process.

4.4 Background checks, Credit Companies and personal visits to dwellings of the applicant will form part of the process of verification of information on Registration forms. If false information is provided by the applicant it will result in immediate termination of the application;

5. THE NON-COMPLIANCE OF A HOUSEHOLD REGISTERED AS AN INDIGENT HOUSEHOLD

When an indigent fails to comply with the arrangements made to receive the subsidy, they will be dealt with in terms of the Council's uniform credit control procedures.

It may happen that even after the introduction of the indigent policy, certain households may be in arrears on the amount due by them. These consumers will have to make arrangements with the Credit Control Section of the municipality to pay off arrears owing in reasonable time, and also at the time of claiming the monthly subsidy.

If these arrangements have not been made, no monthly indigent subsidies will be paid and applicable services will be restricted and/or terminated.

6. WITHDRAWAL AND NON-QUALIFICATION OF INDIGENT SUBSIDY

- 6.1 The subsidy will be withdrawn at the discretion of the Council if:
- The consumer who qualifies for the subsidy fails to keep to the terms of the policy agreement; or
 - If it is found that information provided and on which basis the subsidy was provided was incorrect or fraudulent;
 - Any tampering with the installations of the Council is detected.
- 6.2 The subsidy will not apply in respect of households owning more than one property.
- 6.3 Subsistence allowance/subsidy will be provided for the payment of electricity supply to a maximum as determined by Council.
- Where a consumer is provided with conventional electricity by the municipality, the consumer agrees to the installation of a prepaid electricity meter where one has not already been installed.
- 6.4 The subsidy on electricity consumption as determined by council must be implemented by the Council with the electricity operating budget.
- 6.5 Subsidy will not be applicable to a property exceeding the value determined by council

7. WHEN WILL THE SUBSIDY BE PAID

The subsidy will be paid automatically into the consumers account when the Debtors Section of the municipality levies or runs the monthly services accounts.

If the consumer does not make the necessary application for the subsidy by completing the official Indigent Support registration forms, he/she will be fully responsible for the payment of the total account, and on non-payment thereof, will be discontinued.

The indigent register will be compiled using the principle of self targeting; consumers must apply at the office to be registered as an indigent. Where consumers cannot commute due to health reasons, the social services department of the council will visit the consumer at his/her residential address.

The accounts of the indigent will be credited with the subsidies once payments, as agreed with the Credit Control Section have been received.

In cases where consumers cannot commute due to health reasons an administrative process will be implemented to accommodate the class of consumer, such household must be visited every six months to confirm the circumstances.

8. PROCEDURE OF APPROVAL TO INDIGENT APPLICATIONS

- (i) The applicant must complete the application form and the necessary documentation, viz. Copy of ID of applicant and that of spouse is attached; affidavit regarding unemployed status; and or All Pay registration verification.
- (ii) All approved applications will be enlisted in the municipality's Indigent Register and kept safely on file for audit.

INDIGENT APPLICATION FORM

A) SUBSIDY CHECK LIST

The following detail has been checked by me and found to be in accordance with the conditions of the Cederberg Local Municipality indigent subsidy scheme.

Identification: (mark applicable space x)

- (a) SA Identity document
- (b) Application for new SA Identity document
- (c) SA Passport
- (d) Other (specify detail)

.....
.....

Gross Household Income:

- (a) Salary advice Amount: R
- (b) Letter from employer Amount: R
- (c) Pension Amount: R
- (d) Disability allowance Amount: R
- (e) Maintenance Amount: R
- (f) Other (specify detail) Amount: R

.....
.....

Additional Information:

- (a) Total number of unemployed occupants
- (b) Number of occupants

General remarks:

.....
.....

The abovementioned is to my knowledge a true reflection of the relevant circumstances.

NAME: (PRINT)

INDIGENT CATEGORY: (PRINT)

DATE:

SIGNATURE:

B) PERSONAL PARTICULARS

WARD NO.: STAND NO.:

1. In an effort to assist the needy population of Cederberg in the payment of municipal services as detailed on the pamphlet enclosed, the Cederberg Local Municipality has agreed to a subsidy whereby households earning not more than twice the gross amount of monthly government pension amount.

2. Please read the back of this form to see if you qualify and what documents/forms you are required to produce and submit with this application. If you feel that you do qualify you must complete the details of all occupants over the age of 18 years old as at the date of this application together with their respective gross monthly income in the space below.

PERSONAL PARTICULARS OF ALL OCCUPANTS OVER 18 YEARS LIVING AT THE HOUSEHOLD

Identity Number	Initials	Surname	Employed Yes / No	Employer Name	Gross Monthly Income	Source of Income
1.						
2.						
3.						
4.						
5.						

Note: The account holder should be the person identified as no. 1 above.

Number of own children under the age of 18 years living in the household:

DECLARATION BY APPLICANT

I, the undersigned, who resides at the address indicated above, hereby apply for the Household Indigence. Subsidy determined in relation to the income indicated above, and solemnly declare that –

- a) All particulars furnished in this form, including the total gross income of myself and all occupants of the premises, are to the best of my knowledge and believe, true and correct.
- b) If the particulars furnished in this form should change for any reason, I will immediately notify the Council.
- c) I or any other occupant do not own any other property in the Republic of South Africa apart from the property indicated on the account for which this application is made.
- d) I agree that Council officials and/or the social worker may conduct an on site audit to verify the information supplied on this declaration.
- e) I am aware that any false declaration on this form is punishable by law and will result in disqualification of the subsidy.
- f) I agree that the supply of water to my premises may be restricted by a flow control washer or any other method the Council may deem fit if the balance of my services account is not paid in full.

CEDERBERG LOCAL MUNICIPALITY

g) I am aware that I must be a South African citizen and also be a registered voter on the Cederberg voters roll to qualify for this subsidy

I also agree to the following procedures/principles:

- aa) That my electricity supply may be downgraded to a 20 Amp connection
- bb) That my water supply will be restricted to 6 Kl per month
- cc) That all money due to council in excess of the subsidy provided will be paid by me on a monthly basis
- dd) That the subsidy will be collected by myself upon presentation of positive identification at the municipal offices on a monthly basis
- ee) That the council may supply me with pre-paid metering devices that it may deem necessary for the provision of services to me

.....
Date

.....
Signature/Thumb Print of Applicant

Council Attesting Official

The consequences of the above declaration made by the applicant was explained to him/her and he/she indicated that –

- (a) the contents of the declaration was understood; and
- (b) that if found to be untrue, he/she would automatically be disqualified from receiving any subsidy. He/she will be liable for the immediate repayment of any subsidy received and may have criminal proceedings instituted against him/her as the Council may deem fit.

.....
(Print full name)

.....
Date

.....
Signature

Ex Officio Commissioner of Oath Rep of South Africa

PERSONAL PARTICULARS (CONTINUE)

SURNAME:

FIRST NAME:

IDENTITY NUMBER:

ACCOUNT NUMBER:

ADDRESS:

.....

.....

DO YOU OWN FIXED PROPERTY? YES NO

MUNICIPAL VALUATION

FAMILY COMPOSITION

SPOUSE FIRST NAME:

MAIDEN NAME:

IDENTITY NUMBER:

CHILDREN OR LODGERS NAMES	DATE OF BIRTH DD MM YYYY	INCOME

EMPLOYED: SELF-EMPLOYED:..... UNEMPLOYED:.....

OCCUPATION:

NAME OF EMPLOYER:

INCOME:

GROSS SALARY: R..... P/M WAGES: R..... P/M

WIFE'S EMPLOYER:

TELEPHONE NUMBER: MONTHLY INCOME: R.....

PENSION INCOME: P/M OTHERP/M

C) HOUSEHOLD DETAILS:

1.1 Main house details	5 ROOM PLUS	<input type="text"/>
	4 ROOM	<input type="text"/>
	3 ROOM	<input type="text"/>
	2 ROOM	<input type="text"/>
	1 ROOM	<input type="text"/>
	SHACK	<input type="text"/>
1.2 Do you rent out part of your household		<input type="text" value="YES"/> <input type="text" value="NO"/>
1.3 Are you the	Owner	<input type="text"/>
	Tenant	<input type="text"/>
	Tenant with council	<input type="text"/>

ELECTRICITY SUPPLY

2.1 Do you have electricity		<input type="text" value="YES"/> <input type="text" value="NO"/>
2.2 Average monthly electricity account		<input type="text" value="R"/>
2.3 Do you pay regularly for electricity		<input type="text" value="YES"/> <input type="text" value="NO"/>
2.4 If NO to the above why not	Do not want to	<input type="text"/>
	Not happy with account	<input type="text"/>
	No money	<input type="text"/>
2.5 Do you use electricity for	Cleaning	<input type="text"/>
	Cooking	<input type="text"/>
	TV / Radio	<input type="text"/>
	Lights	<input type="text"/>
	Heating Water	<input type="text"/>
	Heating house	<input type="text"/>
	Washing machine	<input type="text"/>
		<input type="text"/>
		<input type="text"/>
		<input type="text"/>

WATER REFUSE AND SEWERAGE

- 3.1 Do you have a water meter

YES	NO
-----	----
- 3.2 Do you have refuse collection

YES	NO
-----	----
- 3.3 Do you have waterborne sewerage

YES	NO
-----	----
- 3.4 Average monthly payment

Water	R
-------	---

Refuse	R
--------	---

Sewerage	R
----------	---
- 3.5 Do you pay regularly for the above services
- 3.6 If NO to the above why not

Do not want to	<input style="width: 100px; height: 20px;" type="text"/>
Not happy with account	<input style="width: 100px; height: 20px;" type="text"/>
No money	<input style="width: 100px; height: 20px;" type="text"/>

GENERAL FINANCIAL ASPECTS

- 4 How do you manage regarding the following
- 4.1 Clothing
- 4.2 Food
- 4.3 Shelter
- 4.4 Medical Expenses

SOCIAL / EMPLOYMENT ASPECTS

5 Employment

- 5.1 Have you held a job for more than 6 months

YES	NO
-----	----
- 5.2 Have you ever worked before

YES	NO
-----	----
- 5.3 What type of work have you done before
- 5.4 Are you skilled in any way

YES	NO
-----	----
- 5.5 If Yes, what kind of skill
- 5.6 If No, what skill would you like

D) ATTACH THE FOLLOWING DOCUMENTS:

- 1. PROOF OF INCOME/AFFIDAVIT
- 2. AFFIDAVIT THAT INFORMATION SUPPLIED IS CORRECT
- 3. COPY OF IDENTITY DOCUMENT FOR YOURSELF AND/OR SPOUSE
- 4. CURRENT MUNICIPAL SERVICES ACCOUNT/STATEMENT

NOTE:

IT IS YOUR DUTY TO INFORM THE CEDERBERG LOCAL MUNICIPALITY SHOULD YOUR CIRCUMSTANCES CHANGE.

YOU WILL BE DISQUALIFIED FOR THE SUBSIDY SHOULD YOU PAY AFTER THE DUE DATE.

I DECLARE THAT I HAVE READ THIS FORM AND THAT ALL THE PARTICULARS ARE TRUE AND CORRECT.

I AGREE THAT MY NAME BE SUBMITTED TO THE INFORMATION TRUST CORPORATION (CREDIT BUREAU).

.....
APPLICANT SIGNATURE

.....
DATE

.....
RECOMMENDED BY

.....
DATE

.....
APPROVED BY

.....
DATE

NOTE:

ANY PERSON WHO SUPPLIES FALSE INFORMATION WILL BE DISQUALIFIED FROM FURTHER PARTICIPATION IN THE SUBSIDY SCHEME AND WILL BE LIABLE FOR THE IMMEDIATE RE-PAYMENT OF ALL SUBSIDIES.

E) ACKNOWLEDGEMENT OF DEBT

I the undersigned Identity No.
an adult male/female, married/unmarried, married in/out of community of property do hereby
acknowledge that I am truly and lawfully indebted to the Local Municipality in the sum of
R..... plus interest at the rate of per annum arising from non-payment
of rates and taxes.

I promise and agree to pay the said amount to the Cederberg Local Municipality as follows:

1. An initial payment of R..... and additional payments of R..... each, the first
payment to commence on the 1st day of 20..... and thereafter on the 1st
day of each and every month.
2. I agree to pay the said amounts at the Municipal Office every month on or before the
due date until the outstanding amount is fully settled.
3. Should any payment not be paid on the due date, the full amount outstanding shall
become due and payable immediately.
4. Should I fail as aforementioned for whatever reason then the Local Municipality is
hereby authorised to levy execution against my assets without first a Court Order to do so in
terms of the rules of the Supreme Court applicable to the execution of a judgement date.

In the event of my committing a breach of any provision of this Acknowledgement of Debt, at
the option the creditor the said Capital Sum and any other sum whatsoever arising by me to
the creditor in terms of this Acknowledgement of Debt shall be considered as legally
claimable due, without notice and it is expressly understood that the waiver of the provisions
of any terms of this Acknowledgement of Debt by the Creditor at any time previously, shall not
under any circumstance prejudice the Creditor's right without any previous legal demand to
avail himself to the provisions of this paragraph.

All benefits from legal exceptions non numerate pecuniae, non causa debiti with the end
effect of which I declare myself to be fully acquainted with, are hereby renounced.

I choose domicilium citandi et executandi at	I choose domicilium citandi et executandi at
.....
.....

I agree and consent that the terms of this
Acknowledgement of Debt be made an
Order of the Cederberg Local Municipality

.....
Debtor

.....
Cederberg Local Municipality

Signed at this day of 20
On behalf of the Cederberg Local Municipality

NOTICE (REVERSE SIDE OF DEBT ACKNOWLEDGEMENT)

1. By my signature hereto, I undertake to pay all the attorney and client cost and collection commission in the event of the Municipality instituting action for recovery of monies due for services rendered in terms hereof.
2. Deposits are not transferable.
3. Refunds of deposits will be made by cheque only and within 30 days of termination of agreement.
4. If consumer fails to pay his account before or on the due date, a notice to such effect may be rendered. The costs involved will be charged to the consumer's account.
5. Interest at the rate as from time to time determined will be charged on overdue accounts.
6. If a consumer fails to adhere to the said notice (refer to 4 above) the water supply may be terminated. The costs involved will be charged to the consumer's account.
7. In terms of the standard water and electricity by-laws, a deposit should be at least double the cost of the average monthly consumption, based on the consumption which the applicant is in the treasurer's opinion likely to use during any twelve consecutive months.
8. Change of address must be notified within 14 days.