INDIGENT POLICY
REVISED INDIGENT SUPPORT POLICY

PREAMBLE
In recent municipal discourse in South Africa the term “indigent policy” has tended to refer to a policy on how chronically poor households should be dealt with in relation to the generation of municipal income.

Most commonly, these policies adopt a narrow approach to this, seeking to define indigence in terms of particular household income level, administratively identifying household falling below this level, and provide them with a grant to facilitate their payment of the municipal accounts.

Our approach as Midvaal is that the term indigent policy should refer to something broader. We prefer to define it rather as the whole set of interventions that ensure that the basic needs of the poor are met, and their rights upheld while protecting resources for use by the next generation.

OBJECTIVE
The policy seeks to address but not limited to:
1. The urgent need to address the high levels of chronic poverty in Midvaal.
2. The requirement of developmental local government that municipalities work together with local communities to find ways to meet the needs of the poor and to improve their lives.
3. The Constitutional obligations to provide basic services to the poor.

The Indigent Support Policy will seek to provide support to the registered indigents by:
- Free basic municipal services
- Indigents burials
- Employment opportunities
BACKGROUND
An indigent policy is required to ensure that constitutional obligations relating to the socio-economic rights of all South Africans are realised.

Failure to address the needs of the poor may jeopardise growth while poverty relief may stimulate growth and competitiveness by creating a more stable environment.

An indigent policy provides an opportunity to create a safety net to the poorest section of the population.

Poverty Manifestation in Midvaal

Poverty is more than a lack of income. Poverty exists when an individual’s or a household’s, access to income, jobs, infrastructure or services is inadequate to ensure full access to opportunities in society. The condition of poverty is caused by a combination of social, economical, spatial, environmental and political factors.

It is clear from the poverty profiles that not only is poverty a general critical problem in Midvaal, but that there is a significant number of people who are living in extreme poverty and who without Council support will be unable to afford to pay for even the most basic of services.

Legal and Constitutional Imperatives
- The Constitution of South Africa sets out the obligation of government
- Local Government: Municipal Structures Act No. 117 of 1998
- Municipal Structures Amendment Act No. 33 of 2000
- Municipal Systems Act No. 32 of 2000
- Local Government Property Rates Act
- Municipal Finance Management Act No. 56 of 2003
- Water Services Act No. 108 of 1997
- Division of Revenue Act
1. **DEFINITION OF INDIGENT**

Indigents are defined as those people, due to a number of factors, who are unable to make monetary contribution towards basic services, no matter how small the amounts seem to be.

Any household, earning less than the R3 500.00 qualify to be registered as indigents. Examples are pensioners, unemployed, child headed families and students. Midvaal Municipality will align the income level of indigent households with the predetermined income category as determined by the department of Human Settlement for ownership of RDP properties. The said amount currently is an equivalent of R3 500.00 per household.

A household is defined as all adults and children living on a single property.

An indigent policy will thus refer to fairly limited set of administrative procedures within the income function for distributing grant support to reduce the municipal account to particular households.

As per the indigent policy, an indigent data-base refers to a data base that Midvaal Local Municipality established to register and monitor all households that are categorised as per financial definition of an indigent.

2. **QUALIFICATION CRITERIA**

The criteria for the approval and registration as indigent household are as follows:

2.1 The applicant must be a resident of the Midvaal area. Business or industrial properties do not qualify as indigents.

2.2 Two categories of indigents will be considered:

2.2.1 Registered property owners (not tenants) who will benefit from the rebates in sections 8.1, 8.2 and 8.3.
2.2.2 Other indigents who do not own property in Midvaal Local Municipality and will only qualify benefits in sections 8.2 and 8.3.

2.3 In respect of 2.2.1 above, the applicant or any combination of applicants, must be –

2.3.1 The registered owner of the property; or

2.3.2 An occupier of a child-headed household where the property is registered in the name of the deceased parent or deceased parents; or

2.3.3 The party to whom the property is awarded in the event of a divorce; or

2.3.4 Where a deceased estate has not been wound up a letter of authority / executorship is needed;

2.3.4.1 In the case of a deceased estate, in whose name the property is registered, any heir to whom the registered property has been bequeathed; or

2.3.4.2 A surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the property is registered in both spouses' names and the surviving spouse is the sole heir; or

2.3.4.3 A surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the property is registered in the name of that deceased; and

2.3.4.4 The property must be registered into the new owners name within a year, after approval date of indigency.

2.3.5 The total household income of the property may not exceed R3 500; and

2.3.6 Be a full-time occupant of the property; and

2.3.7 If the applicant is the registered owner of more than one
immovable property nationally and internationally the applicant will only be approved once; and

2.3.8 Must be in possession of a valid South African identity document.

2.3.9 If the property of the applicant has a valuation more than R1 000 000 [1 million rand), the applicant will only be approved once.

2.3.10 The vacant land where there is no full time occupant does not qualify for the subsidy.

3. **SCOPE OF THE POLICY**

The policy covers a wide range of indigent benefits such as but not limited to:

- Indigent rates and tax rebates
- Indigent burials
- Expanded Social Package (indigent exit programmes, life skills programmes, Unemployed database, Counselling by Social Workers)

4. **CHALLENGES**

4.1 Household income alone is not an adequate indicator of poverty.

4.2 To make an accurate assessment of the true situation in any household is difficult.

4.3 The number of households who might legitimately be termed ‘indigent’ or too poor to afford minimum acceptable level of municipal services is huge.

4.4 The household are changing constantly.

4.5 Conditions of poverty are too complex to allow for a single indicator to define the target group of indigent support.

5. **RATIONALE FOR AN INDIGENT POLICY**

5.1 The assurance of a basic human right as a progressive democracy.

5.2 To create a centralised mechanism to address poverty in a systematic way.

5.3 To enable Midvaal Local Council to efficiently support the provision of basic services to the poor.
5.4 To enable Midvaal Local Council to restore the rule of law in the jurisdiction by establishing universal acceptance of the need to meet the obligations of payment of services.

6. INDIGENT POLICY PRINCIPLES

6.1 Equity
This implies that all people in a similar position should be treated similarly. The municipality must differentiate fairly between those in different circumstances, and treat them appropriately according to their different circumstances.

6.2 Sustainability
The policy must be financially and environmentally sustainable. This assumes a judicious long term approach to the use resources in both Finance and Social Services sections.

6.3 Reasonable choices
The policy shall enable all households, including indigent households, to take responsibility and make choices wherever possible that best suit their circumstances.

6.4 Inclusivity
Income and indigent policies for poor Midvaal residents must be integrated seamlessly with income policy for all other citizens. As households’ circumstances change they should be able to shift relatively easily across the continuum of choices.

6.5 Implementable
The indigent Policy must be administratively practical and implementable. Both Social Services and Finance shall play a key role to implement the policy.
7. **OPERATIONAL PRINCIPLES**

This section outlines a set of critical ‘operational principles’ which outlines many different aspects of the policy.

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<td>1</td>
<td>Implement convenient mechanisms to enable poor household to control consumption.</td>
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<td>2</td>
<td>Early responses to problems are required in managing indigent households</td>
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<td>3</td>
<td>Current consumption provides a good basis for establishing arrangements to pay off older arrears</td>
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<td>4</td>
<td>The management of indigent households should not be fragmented amongst services</td>
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<td>5</td>
<td>The role of electricity department is crucial in the long term management of indigent households</td>
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<td>6</td>
<td>The sharing of responsibility between Finance and Social Services must be well designed.</td>
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<td>7</td>
<td>Measures must be taken to ensure the reliability of the information submitted by the applicant.</td>
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<td>8</td>
<td>The issue of poor postage delivery in indigent areas must be managed</td>
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<td>9</td>
<td>Legal processes should be instituted against households through formal legal system only when other mechanisms have been exhausted and only if it is economically viable.</td>
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<td>10</td>
<td>Updated and ongoing communication is crucial</td>
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<td>11</td>
<td>Processes must be established to realise continuous improvement in the management of indigent households</td>
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8. **INDIGENT SUPPORT CRITERIA**

8.1 **Rebates on municipal services**

8.1.1 That the combined gross income of a household for qualification as an indigent be determined as equal or less than R3 500.00 per month excluding: Child support, foster care and disability grants.

8.1.2 That residents wishing to apply as indigent should do so at Midvaal Finance Department for capturing and referral to Social Services for assessment. (See flow chart on procedures and processes)

8.1.3 That the Midvaal electronic data base form be used to receive and process applications until such time that a new application form is developed.

8.1.4 That the screening committee consists of MMC Finance and MMC Social Services, a social worker and a designated official from finance.

8.1.5 That all application forms be captured into the electronic Indigents database of Social Services.

8.1.6 That a subsidy be credited on the account for one year –

That approved indigents be subsidised according to:

8.1.6.1 Indigent relief: Rates
- NO rates be levied on any property where the municipal valuation does not exceed the municipal valuation of R500 000 (five hundred thousand).
- If the valuation of the property is more than R500 000(five hundred thousand), the first R500 000 (five hundred thousand) will be exempted from rates.

8.1.6.2 Indigent relief: Water
- Consumer may receive their first 6 kl, or as determined by Council from time to time of consumption on a zero-based tariff.
- A basic charge will be levied and be offset against equitable share.
- The Municipal Manager will grant authority that a prepayment meter may be installed in those properties where the registered owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means.
- All prepayment meters are installed at the rate as indicated in the Tariff Policy.

8.1.6.3 Indigent relief: Electricity
- Consumer will receive a free supply of 50 kWh per month in case where a low voltage meter has been installed
- The Municipal Manager will grant authority that a prepayment meter may be installed in those properties where the registered owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means.
- All prepayment meters are installed at the rate as indicated in the Tariff Policy.
- A basic charge will be levied and be offset against equitable share.

8.1.6.4 Indigent relief: Refuse
- All registered debtors will be levied with a refuse removal service and be offset against equitable share.

8.1.6.5 Indigent relief: Sewerage
- All registered debtors will receive a free sewerage service.
- A basic charge will be levied and be offset against equitable share.

8.1.7 That the indigents reapply for assistance and the Social Services Department should perform a re-evaluation/reassessment of an Indigent applicant during the ninth (9th) month of indigence.

8.1.8 That the Social Services Department should investigate possible ways of creating and encouraging Exit programs for indigents.
8.1.9 That Indigents be compelled to inform Council about any change of their indigence status compelling them sign a penalty clause viz. Services will be discontinued until arrears are paid in full.

8.1.10 That the Social Services department informs Finance in all instances referred to in (i) above. The latter will then cancel the approval, terminate subsidy and bring back the amount in the Indigent suspense account.

8.1.11 That application forms in respect of approved indigents be submitted to the Finance Department for capturing within fourteen (14) days of approval thereof.

8.1.12 That all outstanding balances up to the date of approval bewritten off.

8.1.13 That services be suspended/restricted to indigents who fail to pay for services consumed up and above the subsidised amount.

8.1.14 That no legal action, eviction should be instituted / conducted against indigents.

8.1.15 That expired indigents referred to in (o) above, should exclude any individual whose indigence status changed during the application process.

8.1.16 That any conditions affecting indigents should be brought to their attention in the official language of their preference by the Social Services department.

8.1.17 That the assessments of indigent's applicant's include lifestyle audit and ownership of luxurious items e.g. Motor car, DSTV decoders etc.

8.1.18 Where tampering is discovered, all benefits will immediately be halted. A fine according to the Credit Control Policy will be imposed. The service will be terminated and will only be re-installed on the payment of the full amount of the reconnection fee and fine.

8.1.2 Required documents for registration

- Proof of gross income: This must not exceed R3 500.00 per household per month.
Ownership status / proof of residence: The applicant must be the registered owner of the property or proof of account liability in case a child headed household where the property is registered in the name of the deceased parent/s.

- Valid copy of identity.
- Pension certificate or card in case of a pensioner.
- Municipal account.
- Duly completed application form.

Procedures and Processes for Implementation

This whole process is to be completed in 3 months from date of application

8.2 Indigent burial support criteria

Required documents for indigent burial registration

- Proof of gross income: This must not exceed R3 500.00 per household per month.
- Proof of residence (the deceased must be a bona fide resident of Midvaal.
- Copy of the I.D.
8.3. **Employment opportunities**
For certain positions in Council employment opportunities will be given to persons in the indigent register (per household) on the express condition that the person employed based on this policy assumes responsibility for the municipal account of the household.

9. **OBJECTIVES OF THE INDIGENT BURIAL AID**
- To assist the indigent families in the burial of their deceased.
- To implement the procedures to bury the indigents.
- To ensure that resources are allocated to carry out the burials.
- The indigent burials aid will be implemented with the proviso that funds are transferred from Gauteng DLG & Cooperative Governance HIV/AIDS Unit to the Municipality as well as funds sourced from different sectors in order to finance the costs of indigent burials.
- Indigent burials programme is only limited to bona-fide residents of Midvaal.

10. **REQUIREMENTS AND PROCEDURES**
10.1 Midvaal Local Municipality will bury persons when evidence is provided that they are bona fide residents of Midvaal;
10.2 The council will consider the burial of any person or immediate family member of such person, if she/he is registered as an indigent within Midvaal Local Municipality;
10.3 The family can request an indigent burial by means of an affidavit, substantiated by an official letter from a social worker, ward councillor or a relevant MMC. The said documentation must indicate the reasons for this request;
10.4 All persons applying for the indigent burial service shall provide the documentation to Midvaal Local Municipality as indicated.
10.5 Proof from the family member/relative that they cannot bury the deceased;
10.6 Confirmation that no other person or organisation other than the relatives, are in the position or do not have resources to pay for the burial.

10.7 If the body was found outside the Midvaal Municipal area of jurisdiction and the person is not a resident of Midvaal, the request for an indigent burial must be referred to the relevant local authority where the person was a bona fide resident.

10.8 The ward councillor must refer applicants to Midvaal Social Development for screening and further assistance.

10.9 All requests for indigent burials must be referred to and considered by the designated official at the Community Services Department (Social Development).

10.10 Social Development should carry out screening and certify indigent’s status of applicant.

10.11 The designated official must ensure that all the above-mentioned procedures and requirements are met before an order could be placed at the contracted funeral undertaker appointed by Midvaal Local Municipality to bury a deceased person as indigent.

10.12 Authentic ID.no’s, will serve as the official approval for indigents dealt in the procedures.

10.13 All indigent burials must be conducted during the week.

10.14 Midvaal Local Municipality will not be liable for storage costs of bodies beyond 24 hours.

10.15 Indigent burials can be arranged for anybody in the community if all requirements are met.
Application forms

The attached application form should be used for application and processing of all indigent applications for municipal rebates (See Annexure 1), and Indigent burials (See Annexure 2)

Conclusion

For Midvaal it is a priority to ensure that the poor receive affordable basic services. However, this task is made more complex by the large proportion of the population who are potential beneficiaries of the indigent programme.

To market the policy and the initiative Social Services will engage ward committees and ensure community participation. Newspaper adverts in the local media and the Indigent’s brochure will also be used to invite indigent’s applications.
Ref: 17/1/1

Your ref: ______

Molotsi Funeral Services
2705 Ward Road
Evaton
1930

For Attention: Mr Molotsi

SPECIAL TARIFFS FOR INDIGENT BURIALS

The deceased Mr/Mrs/Child ____________________ ID nr ____________________

born on the _____________ and passed away on the _____________ is an
indigent and is residing at Midvaal. He/She is a bona fide resident in Midvaal.

Address: __________________________________________________________

Contact details of family / next of kin residing at ________________________________

________________________________________ Contact number: __________________________

It is recommended that he/she be buried at Meyerton Cemetery at an indigent tariff.

Hoping that the request will receive your favourable attention.

Thank you

WARD NO ________ COUNCILLOR _______________________

SIGNATURE: __________________________
MIDVAAL LOCAL MUNICIPALITY
APPLICATION TO BE REGISTERED AS AN INDIGENT

1. This application must be completed by the person responsible for the payment of the account
2. Copies of Municipal account, ID documents, pension certificates and proof of income must be attached

1 DATE OF APPLICATION

2 ACCOUNT NUMBER WARD

3 SURNAME

4 FIRST NAMES

5 ID NUMBER

6 ADDRESS

7 TEL NO (H) (W) (C)

8 GENDER MALE FEMALE AGE

9 MARITAL STATUS MARRIED SINGLE DIVORCED CUSTOMARY MARRIAGE WIDOWED LIVING TOGETHER

10 HOUSE

Is there an outstanding amount on the bond of this property Yes No

If yes, which Bank

TYPE OF HOUSE Shack Brick with shack Brick with tiled roof

Number of rooms in house Number of outside rooms (shacks)

11 HEALTH POOR GOOD EXCELLENT

If poor, give details

Any physical or mental defect Yes No

If yes, give details

FAMILY MEMBERS WITH DISABILITIES
NAME DISABILITY DETAILS

12 EMPLOYMENT SKILLS OF HOUSEHOLD MEMBERS WITHIN ECONOMICALLY ACTIVE AGE GROUP
NAME