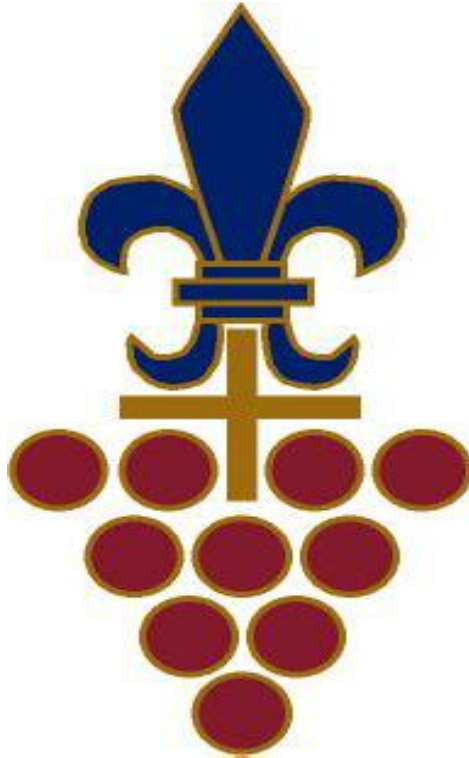


STELLENBOSCH MUNICIPALITY



INDIGENT POLICY

2013/2014

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PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate towards the community/consumers of Stellenbosch Municipality (WC024).

Council further acknowledges that due to the level of unemployment and consequential poverty in the municipal area, there are households which are unable to pay for basic municipal services.

Indigent stress relieve is thus a fundamental requirement that is achievable only within sustainable budgets set by Council as well as support and direction via National Government.

In order to give effect to the afore going, the Council of the Stellenbosch Municipality has adopted a policy relating to indigence as set out hereinafter.

1. DEFINITIONS AND QUALIFICATIONS

The introduction of free basic services will ensure that indigent consumers have access to basic services.

Basic Services is that level of services delivered by the Stellenbosch Municipality at reduced or at no cost to the Indigent consumer and which the Council has considered reasonable and sustainable within budget constraints.

1.1 Subsidy:

Subsidies are granted from external funds, allocated by the National Government as an Equitable Share allocation, to subsidize Indigent households with specified levels of basic services; This is based on a:

- (a) Level of income enabling Indigent households to pay for a basic package of municipal services; and/or
- (b) Municipal property value that sets the level at which property rates will not be levied.

1.2 Family (Household):

- (a) A family is defined as a family unit comprising of the head of the family, being a natural person, and may include blood related or adopted dependants.
- (b) The head of the family must be a South African citizen and have permanent residency.
- (c) The head of the family must be the registered owner or part owner of the property or the registered lessee of a Council housing unit.
- (d) To register as an indigent consumer the head of the family or the registered lessee of a council housing unit must personally complete and sign the registration form.

1.3 Home:

- (a) Only formal or informal housing units utilized for residential purposes will be taken into consideration for the purpose of this subsidy.
- (b) Only informal structures registered in the official informal structures register will qualify for this subsidy.
- (c) Applications deviating from the above will only be considered after a detailed investigation by the Revenue Section.

1.4 Liability for payment of municipal accounts:

- (a) Subsidies will only be granted to families liable for the payment of municipal service fees.
- (b) Subsidies will only be granted by means of a credit on municipal accounts and free basic electricity vouchers.
- (c) Monthly accounts, as well as the instalments arranged in respect of the repayment of debt, must be paid punctually and in full.
- (d) Prepaid electricity meters will be installed on all properties before receiving indigent subsidies to prevent escalation of debt.

1.5 Qualifying income:

- (a) Gross family income is defined as the earnings of the head of the family, plus any other financial contribution towards the family income by any other dependant or occupant.
- (b) The maximum qualifying income level for a household as envisaged by section 1.2 of this policy will be equal to or less than R 3 300 per month (to be known as the Indigent Income Threshold). Proof must be produced in the form of pay slips, unemployment certificates, income certificates or other acceptable proof of income.
- (c) Should proof of income not be available, income may be declared by means of a sworn statement. Such applications will, however, only be considered after a full investigation by means of a socio-economic survey.

1.6 Targeting mechanisms:

The following principles for the granting of free basic services apply:

- (a) Properties in respect of which property tax is levied on a maximum municipal valuation amount as per Section 6.1 of the Stellenbosch Municipality's Rates Policy per residential property or residential unit occupied by the registered lessee of a Council housing unit.
- (b) Consumers falling outside the set areas and valuation parameters, but qualifying in terms of all other parameters, may also be granted free basic service subsidies, based on individual applications.

1.7 Free basic services and conditions to qualify:

1.7.1 Formal households

- (a) 60 kWh electricity per household per month subject to it being supplied via a prepayment metering system as the qualifying criteria for a registered indigent household to be placed on the Lifeline Electricity Tariff;
- (b) a maximum of 6 kl water per household per month;

- (c) the cost of one refuse unit in respect of a single residential property not exceeding 250m² and a maximum valuation not exceeding the amount as per Section 6.1 of the Stellenbosch Municipality's Rates Policy; and
- (d) the cost of one sewerage service unit supplied to residential properties with a maximum plot size of 250m²;
- (e) 50% of the applicable tariff for clearances of septic tanks.

1.7.2 Informal households

- (a) 60 kWh electricity per household per month; or
- b) a maintenance and operations subsidy (equivalent in rand value to 60kWh electricity per household per month) for off-grid solar home systems, operated by a municipal approved service provider or energy service company (ESCO)
- (b) Other services (specifically water, sewerage and refuse removal services) are not billed for.

In the case of off-grid electricity subsidies as contemplated in 1.7.2b, the municipality may, subject to a detailed review by Revenue Section appoint an authorised service provider to provide the maintenance and operations function for a group or groups of indigent recipients of off-grid electricity.

1.7.3 Indigent households residing in homes for senior citizens

Indigent consumers living in homes for senior citizens shall be eligible to qualify for assistance and support under this policy, subject to the following rules and procedures:

- (a) The onus will be on the head of the family (unit owner or lessee) to apply and submit proof that the electricity connection is in the name of the individual and not the corporate body for the purposes of passing/issuing the free basic electricity units.
- (b) In the event of the unit being occupied by a single individual without any dependents as envisaged by section 1.2 (a) of this policy, the level of income to qualify shall be equal to or less than 50% (fifty percent) of the Indigent Income Threshold (as per paragraph 1.5(b)) per month.

1.8 Free bulk services

Free Bulk Service shall be the provision of services (water stand pipes, high mast lighting, ablution facilities and refuse removal) to informal settlements.

1.9 Other concessions

- (a) Registered indigent consumers limited to the immediate family occupying the property excluding any extended family members could qualify for a discount of up to fifty percent on the approved fees and tariffs for non trading services (refer paragraph (d) below) as defined by Council from time to time subject to application to the Director: Community Services.
- (b) Proof of registration as an indigent consumer must be obtained from the Credit Control Section of Financial Services prior to the application for the discount being made.
- (c) For the purposes of clarity, other categories of consumers (other than registered indigent consumers) such as back yard dwellers, farm workers and lessees of other property earning equal to or below the indigent income threshold per month, may also qualify for the concessions, limited to the services envisaged under this section.
- (d) Discounted Services; refers to:
 - (i) Community halls discounts.
 - (ii) Burial fees in sections of cemeteries without Head stones(crosses or flat stone areas only) and cremations when available.

2. ALLOCATION OF SUBSIDIES

- (a) An amount not exceeding the amount as reflected in the subsidy table (refer Annexure 1) for Indigent families residing in formal homes.
- (b) Only one subsidy per formal housing unit or registered informal housing unit may be allocated.
- (c) Subsidy levels may be adjusted from time to time, depending on the availability of funds.
- (d) Lessees of subsidized housing units already receiving a municipal subsidy for the alleviation of municipal service costs included in rentals will not qualify for an Indigent subsidy. Should the latter subsidy be more advantageous, such a lessee may request that the Indigent subsidy replace the Rental subsidy.

3. SUBSIDY ALLOCATION CRITERIA

- (a) The subsidy scheme is promoted through the press and by means of personal referral, especially by the debt recovery office.
- (b) Only self targeting applications lodged by means of the prescribed application form will be considered by the Credit Control Section.
- (c) Such families are visited personally by municipal employees or service providers, where after a written recommendation is considered.
- (d) The maximum subsidy may be granted to persons with no income, even if the corresponding accounts are not paid in full - The status of any change of

employment must be reported to Council for the purposes of reviewing the subsidy.

- (e) Each subsidy must be followed up at least every 12 months to ensure that circumstances did not change to such an extent that it might have an influence on such a subsidy.
- (f) The municipality has the right to disclose a list of Indigent families for public inspection, which may include the publication, thereof.
 - (i) In a case of misrepresentation or any other transgression of the subsidy conditions, the subsidy will be withdrawn with immediate effect and not be reconsidered for a period of at least 12 months. Legal actions may be instituted to recover subsidies obtained under false pretences.
 - (ii) Indigence relief will not apply in respect of property owners with more than one property, whether such property is situated inside or outside the jurisdiction of Stellenbosch Municipal area (WC024).

4. PROPERTY TAX REBATES BASED ON MUNICIPAL VALUATION

For the purpose of this policy, the rebates that applies to residential properties as per the Rates Policy, will apply.

5. FREE BULK SERVICES

The cost of the provision of free bulk services is recovered from the Equitable Share Allocation from National Government and processed bi-annually.

6. SHORT TITLE

This policy is the Indigent Policy of the Stellenbosch Municipality.

ANNEXURE 1

FREE BASIC SERVICES FOR THE PERIOD:

1 July 2013 to 30 June 2014

Service	Basis of calculations	Maximum Amount (VAT Excl)
Water	6 kl per month	63.52
Sewerage	Limited to a plot size of 250m ²	73.36
Refuse	One small domestic refuse unit	74.32
Electricity	60 kWh per month	43.87
Total per month		255.07