

OUTDSHOORN MUNICIPALITY

POLICY ON INDIGENT AND COMPASSION HOUSEHOLDS

Rules and regulations for the allocation of subsidies to really indigent households

Definitions

"Compassion households", for the purpose of this policy, means a household of which the joint monthly income, excluding allowances for children, where applicable, is equal to or less than R3,000 per month;

"Equitable share", for the purpose of this policy, means the part of national income paid over to the municipality annually that must be used mainly for subsidising basic services;

"Household", for the purpose of this policy, means a family unit consisting of a family head and blood relatives, adopted dependants and other persons living on a particular premises;

"Indigent households", for the purpose of this policy, means a household of which the joint monthly income, excluding allowances for children, where applicable, is equal to or less than R2,000 per month;

"Municipality", for the purpose of this policy, means the category B municipality instituted under the Constitution and the Local Government: Municipal Structures Act for the towns of De Rust, Dysseisdorp, Oudtshoorn and the neighbouring rural areas;

"Old-age home", for the purpose of this policy, means an institution where elderly and disabled people are accommodated and none of the units is owned privately.

1. Subsidy

Subsidies are received from external funds as "equitable shares" granted by the National Government to enable indigent households with a certain income limit to comply with their obligations with respect to the payment of municipal service fees.

2. Household

2.1 A household is defined as a family unit consisting of a head of the family, blood relatives and adopted dependants, and includes all other persons living on particular premises.

2.2 The head of the household must be a South African citizen.

3. Residence

3.1 Formal or informal residential units used exclusively for bona fide residential purposes.

3.2 Informal structures that are officially registered will qualify for participation.

3.3 Applications that deviate from the abovementioned norm will be considered only after a full inquiry has been conducted.

4. Responsibility for payment of municipal service fees

- 4.1 Subsidies are granted only to households that are responsible for the payment of full municipal service fees, either in the formal or informal sector. Payers of only electricity usage in backyard structures, for instance, are not included in this.
- 4.2 Subsidies are granted only by means of credit on a monthly services bill in indigent cases (see clause 5.1) and by means of discount on the monthly levies in compassion household cases (see clause 5.2).
- 4.3 The net monthly bill, as well as any agreed reimbursement amount with respect to debt, must be paid in full promptly before or on the 10th of each month; otherwise, the credit control policy of the Council will be applied.

5. Qualifications for the subsidy

5.1 Indigent cases

Only persons/households that meet the following criteria can qualify for financial assistance from the "equitable shares" for the subsidising of his/her services bill:

5.1.1 Qualifications for the subsidy:

- 5.1.1.1 A person/household that receives a monthly services bill from the Oudtshoorn Municipality.
- 5.1.1.2 The joint gross income of all the persons living on the particular premises may not exceed the amount of R2,000 per month.
- 5.1.1.3 The state allowance with respect to children who are part of the household is not taken into account in determining the gross income mentioned in clause 5.1.1.2 above.
- 5.1.1.4 No one in the particular household may possess any other fixed asset.
- 5.1.1.5 The prescribed form "Application: Subsidy for Indigent and Compassion Households" (form D/B 01 attached) must be properly completed and approved. This approval is based on the true financial need of the household.

5.1.2 Benefits received by approved indigent cases

The following services and amounts are subsidised:

- 5.1.2.1 Water - first 8 kilolitres used
- 5.1.2.2 Electricity - first 70 kWh used
- 5.1.2.3 Property rates - 100% subsidy to a maximum total municipal value of R55,000
- 5.1.2.4 Refuse removal - 100% subsidy on 1 removal per week
- 5.1.2.5 Sewerage services - 100% subsidy on the first toilet

5.2 Compassion household cases:

- 5.2.1 Qualifications for compassion household subsidy
- 5.2.1.1 A person/household that receives a monthly services bill from the Oudtshoorn Municipality.
- 5.2.1.2 The joint gross income of all the persons living on the particular premises may not exceed the amount of R3,000 per month.
- 5.2.1.3 The state subsidy with respect to children who are part of the household is not taken into account in determining the gross income mentioned in 5.2.1.2 above.
- 5.2.1.4 No one in the particular household may possess any other fixed asset.

5.2.1.5 The prescribed form "Application: Subsidy for Compassion and Indigent Households" (Form D/B 01 attached) must be properly completed and approved. This approval is based on the true financial need of the household.

5.2.2 Benefits received by approved compassion household cases.

The following services and amounts are subsidised:

5.2.2.1 Water - first 8 kilolitres used

5.2.2.2 Electricity - first 70 kWh used

5.2.2.3 Property rates - 40% subsidy to a maximum total municipal value of R55, 000

5.2.2.4 Refuse removal - 40% subsidy on 1 removal per week

5.2.2.5 Sewerage services - 40% subsidy on the first toilet

5.3 Old-age homes are subsidised as follows:

A subsidy equal to the following:

- Electricity usage subsidised with 20%
- Sewer levy subsidised with 20%
- Refuse removal levy - subsidised with 20%

The subsidy is subject to the following:

5.3.1 Only old-age homes where the percentage of residents who receive an income equal to or less than the prevailing old-age state pension constitutes fifty percent of the residents, qualify for the abovementioned subsidy.

5.3.2 To qualify for subsidy benefits, the old-age home is required to submit a properly sworn statement not later than the tenth day of July every year, proving that it meets the requirements of clause 5.3.1.

5.4 Only one subsidy may be granted per residence or registered informal structure.

5.5 From time to time, subsidies may be adjusted by means of a decision of the Council, in accordance with funds available for the purpose.

6. Administrative procedure

6.1 Residents must be made aware of the subsidy scheme at their disposal by means of:

- Ward meetings of Council members, during which Council members introduce the scheme on a regular basis;
- Notices on the official notice boards at all municipal offices;
- Marketing by community developers (field and/or welfare workers).

6.2 Individual applications must be submitted on the prescribed form.

6.3 Community developers (field and/or welfare workers) are deployed in the various residential areas to assist with completion of the application forms.

6.4 Completed application forms can be submitted either directly to the community developer or at pay points.

6.5 Households that have applied for the subsidy are visited by the community developers personally in order to verify information provided on the application forms.

- 6.6 The various pay points must ensure that all completed applications reach the chief community developer on a weekly basis.
- 6.7 Application forms, approved by the social worker and submitted to the Department of Finance before or on the 10th of a month, will be implemented at the time of the bill of the particular month.
- 6.8 The approved subsidy will be credited against the beneficiary's account.
- 6.9 Community developers do spot-checks of subsidised cases at least once every 6 months and follow up all households that receive the subsidy to ensure that their circumstances have not changed to the effect that their subsidy is affected.
- 6.10 The municipality reserves the right to make the list of all indigent and compassion households available for public inspection, which may include the publication thereof.
- 6.11 In the event of misrepresentation or any other violation of the subsidy rules, the subsidy will be discontinued immediately and not be reconsidered again for a period of at least 12 months. Legal steps may be taken to recover subsidies that were received unlawfully.

7. Period of validity of subsidy

- 7.1 The subsidy is terminated as soon as the beneficiary's financial circumstances have changed so that it falls outside the set criteria or after twelve months, whichever comes first.
- 7.2 If the circumstances have remained unchanged, a new application must be submitted in any case after twelve months, and the application will be dealt with in the same way as the original application.
- 7.3 The onus rests upon the beneficiary to inform the Council as soon as his/her financial circumstances change or he/she vacates the premises.
- 7.4 The subsidy terminates when the applicant passes away.

8. Cemetery subsidy

8.1 Requirements:

The subsidy is relevant in the case where the deceased, on the day of his death, was part of a household that had been approved as a indigent and compassion household case and registered as approved on the financial system of the municipality and when the prescribed application form (form D/B 03) had been properly completed and submitted.

8.2 Benefit:

8.2.1 Approved indigent cases:

- Premises and 6-ft depth excavation cost for grave - 100% subsidy on the approved tariff

8.2.2 Approved compassion household cases:

- Premises and 6-ft depth excavation cost for grave - 40% subsidy on the approved tariff.

9. Indigent and compassion household benefit for rural areas where another instance provides electricity to residents of the municipal area (for instance Blomnek, Volmoed, Klip Location and Vlakteplaas currently)

Where an agreement, approved in terms of a decision of the Council, has been negotiated with a producer in accordance with the guidelines for providing free basic electricity as determined by the National Government, this benefit can be paid to the producer.

10. Exemption of deposit changes

In instances where the indigent/compassion household account holder dies, the remaining spouse or remaining child (over 18) are exempt from the required deposit charges when opening a new account for the indigent household.

11. Forms

The following forms, of which examples are attached, must be used:

11.1 **D/B 01** - Application: Subsidy for Indigent and Compassion Household

11.2 **D/B 02** - Application for Subsidy for a Grave