



ASSISTANCE TO THE POOR (FREE BASIC SERVICES - INDIGENT) POLICY

Last amendments adopted: 19 September 2013

**Policy champion: Revenue Management & Customer Care Sub-Directorate,
Budget and Treasury Directorate**

INDEX

A	INTRODUCTION	2
A1	QUALIFYING CRITERIA	2
A2	CONDITIONS	2
A3	BENEFITS	7
B	POOR HOUSEHOLDS IN BODIE CORPORATE AND RETIREMENT CENTRES	8
C	FREE ELECTRICITY	10
E	EXCLUSIONS FROM THE POLICY	10

A INTRODUCTION

Residents of the Nelson Mandela Bay Metropolitan Municipality can benefit from the Assistance to the Poor Policy by means of:

- A. Qualifying Criterion, Conditions & Benefits
- B. Poor households in Bodies Corporate and Retirement Centres.
- C. Free electricity.
- D. Exclusions from the Policy

A1 QUALIFYING CRITERION

- (i) The household income of applicants, from all sources, shall not exceed the equivalent of two State welfare pensions;
- (ii) The following child grants received by a household will be excluded from determining household income, provided proof of such grants is supplied by the applicant:
 - o Foster Child Grant
 - o Care Dependency Grant
 - o Child Support Grant

A2 CONDITIONS

- 2.1.1 The account holder must apply in person and must reside on the property in respect of which assistance is sought, excluding 2.1.12, 2.1.13, 2.1.14. 2.1.24 and 2.1.26 below;
- 2.1.2 The applicant must be an account holder and reside on the property in respect of which assistance is sought. Excluding 2.1.12, 2.1.13, 2.1.14. 2.1.24 and 2.1.26 below;
- 2.1.3 The applicant must not own more than one fixed property within the Metro, excluding 2.1.14, 2.1.15 and 2.1.24 below. This includes ownership of Title Deed, Deed of Sale ownership and occupation. Applicant owning property outside of the Metro will be excluded from qualifying for ATTP;

- 2.1.4 A tenant can apply for the benefits in respect of the charges he/she are billed for and the landlord/ property owner will still be liable for all ownership related charges such as rates;
- 2.1.5 The account of a deceased estate, may be subsidized under the scheme, if the surviving spouse or dependants of the deceased, who occupy the property, apply for assistance. All other conditions of the scheme will still apply;
- 2.1.6 The applicant notifies Council immediately should his/her financial position change or if any of the abovementioned criteria are not being met, thus enabling Council to reconsider the status of the household as a poor household;
- 2.1.7 The Municipality reserves the right to visit the premises of an applicant at any reasonable time for the purpose of verifying the information on an application whenever it is deemed necessary. Should any person refuse entry to the ATTP household's premises, for verification purposes, the monthly ATTP subsidy and application write-off processed on the relevant household account will immediately be cancelled and reversed;
- 2.1.8 Normal rates, fees and the requirements to pay an account will apply, should a household account exceed the scheme benefits;
- 2.1.9 Council reserves the right to review and revise the scheme conditions, criteria and benefits, as it deems necessary and must review the scheme at least annually;
- 2.1.10 Disqualification as a result of fraud or non-disclosure of facts will make the account holder liable for the immediate payment of all benefits received and he/she may be prosecuted. Any type of business conducted on the premises of an account holder or by any other person, will also disqualify the applicant from receiving assistance.

Disqualification as a result of fraud or non-disclosure of facts will make the account holder liable for the immediate payment of all benefits received and application write-offs processed. Such a household should be excluded from applying for any benefits in terms of the scheme for a period of 12 months from disqualification. The matter will also be reported to the NMBM Internal Audit

Sub-directorate for investigation and possible lodge of a fraud case to the SA Police Service;

2.1.11 Notwithstanding the above, Council reserves the right to exclude applicants from the Scheme at the discretion of the Chief Financial Officer: Budget and Treasury Directorate;

2.1.12 Family members occupying premises where proof can be submitted that the relevant account holder/property owner has absconded and their whereabouts are unknown, be granted subsidy.

All households applying for ATTP benefits in terms of this clause must produce a case number from the SA Police Service (SAP 55 form) to prove that the abscondment has been reported and is legitimate. The relevant Ward Councillor will also be required to submit a letter of confirmation to verify that the situation is true and correct;

2.1.13 A lessee occupying premises, where proof can be submitted that the account holder/property owner has absconded and their whereabouts are unknown, be granted subsidy;

2.1.14 The unemployed family relatives, as defined by community norms, culture and traditions and where no rent is charged to the said occupants of the property by the owner who occupy the "family house", and the property must be registered in all the family member's names, be granted subsidy.

In terms of the Indigenous Laws of the country a family house can only be defined as a recognised family house once all the family members are registered against the family house as co-owners. In such cases the family members have the legal authority to consent/approve the sale of the relevant property. Thereafter the 3 year sale clause in the ATTP Policy will take effect and all benefits will be reversed should the property be sold within 3 years of receiving ATTP benefits;

2.1.15 Where the Housing and Land Directorate has confirmed that a property owner/account holder was allocated 2 (two) adjacent erven in respect of the RDP Housing scheme as a result of the size of said properties, such property owner/account holder be permitted to apply for subsidy;

- 2.1.16 The re-application of manual applications will not be required;
- 2.1.17 All miscellaneous once-off charges incurred by an ATTP beneficiary, with the exception of tampering charges, after the initial registration, will be written-off;
- 2.1.18 No further legal costs and call-fees to be charged to ATTP accounts, with the exception of tampering charges.
- 2.1.19 Sale of ATTP property – Any property which receives the ATTP subsidy, either through indigent occupation or ownership and the property is sold within 3 years from the date the ATTP subsidy is granted, will have all ATTP write-off's and ATTP monthly subsidies processed on the account, from the date the subsidy was granted, reversed and the owner will be required to settle these amounts in terms of the rates clearance process.

Should an ATTP property be transferred to the surviving family after the death of the ATTP property owner, within 3 years from the date on which the ATTP subsidy is granted, all ATTP write-offs and ATTP monthly subsidies processed on the account from the subsidy granting date will not be reversed and the property owner will not be required to settle these amounts in terms of the rates clearance process. Proof must, however be submitted that it is not the new owner's intention to exploit the ATTP subsidy;

- 2.1.20 Land Reform Beneficiaries – Indigents who qualify for the ATTP subsidy, who are the recipients of land from the Land Reform Process, should be exempted from clause 2.1.1, 2.1.2 and 2.1.3 for a period of 10 years from the date of transfer and thereby receive a subsidy on their service charges on their land reform property, while they remain the owner of such property, over and above any ATTP subsidy they receive fro occupying any other property. Should development take place on the land reform property within the 10 year period, then the ATTP subsidy will only be granted in terms of clause 2.1.14 (family houses)

ATTP households who are recipients of land reform property should not be limited to 1 land reform property only, but this clause should be applicable to an unlimited amount of land reform properties as in many cases these households

do not have the funds to develop the land reform properties and therefore cannot derive an additional income from said properties;

- 2.1.21 Should a lessee prove that the total household income does not exceed the minimum qualifying criteria, such a household should be granted the free 75 KWH token. Lessees will however be required to confirm the financial status on a six (6) monthly basis, in order to receive the token.
- 2.1.22 The conversion of a credit to a pre-payment electricity meter for a household applying for ATTP benefits must be a compulsory requirement in order to benefit from the scheme. Only the disabled or applicants with impaired eye vision or blind may be exempt from this clause. Should a household refuse the mentioned conversion, the monthly ATTP subsidy and application write-off processed on the relevant household account will immediately be cancelled and reversed.
- 2.1.23 Households applying for ATTP benefits which own a property to the value of R2 million or more should not be granted ATTP due to their total household income not exceeding 2 state pensions.
- 2.1.24 A “child headed” household where both parents are deceased and all occupants of the property are children of the deceased and are all under the legal age to contract for services and are therefore considered as minors, can apply and qualify for ATTP.
- 2.1.25 Organisations must prove that they do not make any profit from the community they serve and therefore can qualify for ATTP subsidy in order to assist them to continue with their much needed service to the community.
- 2.1.26 The occupants of properties where the property owner/accountholder has abandoned the household and the occupants can prove that their financial status qualify for ATTP in terms of their total monthly income, should qualify for the ATTP subsidies. Should such a household benefit from the ATTP subsidy and the owner return to the premises or sell relevant property after the ATTP application write-offs and subsidies are processed on the account, the 3 year sale clause will be applicable and all ATTP write-offs and ATTP monthly subsidies processed will be reversed and the owner will be required to settle these amounts in terms of the rates clearance process.

- 2.1.27 Households who swapped properties and did not formalize the transfer in the Deeds Office, but can prove that both households qualify for ATTP benefits should be allowed to qualify for ATTP benefits or Council should be obligated to transfer said properties in the rightful owners name (same as Council's Estate Late Project) in order to assist households to qualify for ATTP benefits.
- 2.1.28 Should NMBM suppliers apply for ATTP their bank statement of twelve (12) months, prior to application, together with other sources, will determine the households monthly income. These applicants must also supply twelve (12) bank statements, proof of tenders awarded, together with other proof of income. Supplier information and payments will be verified with the Budget and Treasury Creditors Section.
- 2.1.29 Where it is found that ATTP household supply services (water or electricity) to a third (3rd) party, the ATTP benefits will be terminated immediately.

A3. **BENEFITS**

Households qualifying in terms of A above will receive the following monthly benefits pertaining to charges appearing on a Municipal account.

- 3.1 A **full credit** for property rates.
- 3.2 A credit to the maximum of **8 kilolitres of water** per meter reading cycle (approximately 30 days) provided the Municipality may take measures to restrict water consumption should the customer exceed this allocation. In the case of unmetered supplies the fixed charge will be deemed to be the credit.
- 3.3 A credit for the monthly charge for the sewerage service irrespective of the service type, provided in the case of waterborne sewerage removal (with metered or unmetered water supplies) the maximum credit in any month will be the minimum charge for the service (based on **11 kilolitres**).
- 3.4 A **full credit** for the monthly charge in respect of the refuse collection and environmental fee. In the case of the environmental fee the property valuations will determine the maximum.

B. POOR HOUSEHOLDS IN BODIES CORPORATE AND RETIREMENT CENTRES

That indigent consumers living in bodies corporate or retirement centers be eligible to qualify for assistance under the Assistance to the Poor Scheme, subject to the following rules and procedures :

- (i) The onus will be on the Board of Trustees/Managing Agent/Chairperson of a Body Corporate (hereinafter referred to as the representative of the Body Corporate or Retirement Centre) to apply to Council, for indigent status to be granted in respect water consumption on behalf of the owners of those units, which meet the criteria and conditions for qualification, as determined by Council from time to time.
- (ii) The onus will be on the unit owner to apply to Council, for indigent status to be granted in respect property rates and related charges for those who meet the criteria and conditions for qualification, as determined by Council from time to time.
- (iii) The representative of the Body Corporate or Retirement Centre, will submit applications to the Chief Financial Officer: Budget and Treasury Directorate, which applications must be accompanied by a certified copy of the Sectional Title Plan of the Body Corporate or Retirement Centre, which indicates the participation quota for each unit, as registered in the Deeds Office.
- (iv) The Chief Financial Officer : Budget and Treasury Directorate, or his delegate will consider and verify all applications and notify:
 - the representative or the Body Corporate or Retirement Centre whether an application was successful or not, with regard to the water consumption
 - the unit owner whether an application was successful or not, with regard to the property rates and other related charges
- (v) The Chief Financial Officer: Budget and Treasury Directorate will credit the monthly municipal :-
 - water account of a Body Corporate or Retirement Centre with water and sewerage charges, the amount of which will be calculated by dividing the total number of kilolitres of water consumed by the Body Corporate by the

number of units in the complex, but up to a maximum of 200 liters of water per day for each unit that qualifies for assistance

- general rates and environmental and refuse charges account of the unit owner with the full amount charged

(vi) The representative of the Body corporate or Retirement Centre in respect of which monthly water credits are allowed under the Assistance to the Poor Scheme, must ensure that such credits are off-set against the monthly levies of the relevant individual units; such representative also being required, once every six months, or at such intervals as may be determined by Council, to provide proof to the Chief Financial Officer: Budget and Treasury Directorate that the monthly levies of poor households which qualify for assistance, have been adjusted by the amounts credited to the account of the Body Corporate or Retirement Centre.

(vii) The credits referred to under (v) above, will be applied respectively to 1 July 2003 where the municipal account of the Body Corporate or Retirement Centre is in arrears, but subject to the following conditions :

(1) Where the levies of poor households are in the arrears, the credits referred to under (v) above will remain on the account of the Body Corporate or retirement Centre, up to the maximum of the amount by which the levies are in arrears.

(2) Where the levies of poor households are not in arrears, or where an excess occurs after the retrospective credits have been applied, the representative of such Body Corporate or Retirement Centres will refund the credits referred under (v) above to the relevant poor households and must provide proof in this regard to the Chief Financial Officer: Budget and Treasury Directorate.

(viii) All other conditions and criteria as contained in the Assistance to the Poor scheme as approved by Council from time to time being applicable.

(viii) The credits to be passed to the accounts of the qualifying Bodies Corporate or Retirement Centres being debited against Indigent Vote 05532838 (Inter Government Transfer Funding).

- (ix) The credits to be passed to the accounts of the qualifying Bodies Corporate or Retirement Centres being debited against Indigent Vote 05532838 (Inter Government Transfer Funding).

C. FREE ELECTRICITY

- (i) That all households who qualify for benefits from the Assistance to the Poor Policy, and who consume electricity by means of a prepaid meter, will be issued with a token for 75 kWh of electricity without charge at the beginning of each month;
- (ii) That all households who qualify for benefits from the Assistance to the Poor Policy, and currently waiting for Council to replace their credit electricity meter with a prepaid meter, receive a monthly subsidy to the value of 75 kWh of electricity on their monthly bill until such time as a prepaid meter has been installed.

D. EXCLUSIONS FROM THE POLICY

Exclusion criteria for households who automatically qualify for assistance under the revised Assistance to the Poor Scheme as a result of the property valuation criterion, but whose household income exceeds two state welfare pensions.

- (1) No household earning an income from whatever source, **in excess** of two State pensions shall be entitled to any subsidy in terms of this Policy, irrespective of the municipal value of the property such person occupies.
- (2) That reliable methods be devised to identify people employed in the private sector and other state departments whose income levels exceed the equivalent of two State welfare pensions.

Note:

Automatic qualification based on the municipal valuation of the property has been discontinued with effect from 8 May 2008, due to the market related value process which was implemented on 1 July 2008.