

MOSES KOTANE LOCAL MUNICIPALITY

INDIGENT MANAGEMENT POLICY



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Appendix A: Application form for Indigent Household Subsidy
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INDIGENT SUPPORT POLICY

3. ABBREVIATIONS

In this policy the following abbreviations will be used to signify the meaning or entity as indicated:

1.	FBS	Free Basic Services
2.	CDW	Community Development Worker
3.	MSA	Municipal Systems Act
4.	MFMA	Municipal Finance Management Act (Act 56 of 2003)
5.	MPRA	Municipal Property Rates Act
6.	PAJA	Promotion of Administrative Justice Act
7.	PAIA	Promotion of Access to information Act
8.	CFO	Chief Financial Officer
9.	IDP	Integrated Development Plan
10.	EBSST	Electricity Basic Services Support Tariff
11.	EPWP	Expanded Public Works Program
12.	LED	Local Economic Development
13.	CWP	Community Works Program
14.	ESG	Equitable Share Grant
15.	MKLM	Moses Kotane Local Municipality
16.	KWH:	Kilowatt hour
17.	DWAF	The National Department of Water Affairs and Forestry
18.	KWH	Kilowatt hour
19.	FBE	Free Basic Electricity
20.	ITC	Information Trust Corporation

21. ITS	Infrastructure and Technical Service
22. WSA	Water Service Authority
23. WSP	Water Service Provider

4. DEFINITIONS

NO.	WORD/EXPRESSION	DEFINITION
		“A”
1.	“annual budget”	Means the budget approved by the Council for any particular financial year, and shall include any adjustments to such a budget.
2.	“annually”	Means once every financial year.
3.	“applicant”	Means the person applying to the Municipality to be afforded the status of a Registered Indigent in terms of this policy.
4.	“basic service” municipal	Means a municipal service necessary to ensure an acceptable and reasonable quality of life, which service, if not provided, would endanger public health or safety or the environment.
5.	“Chief Financial Officer”	Means the person appointed by the Council and designated by the Municipal Manager to manage the financial administration of the Municipality and who remains directly accountable to the Municipal Manager as contemplated in terms of the provisions of section 80(2)(a) read with section 1 and section 81 of the MFMA.
6.	“child headed Household”	Refers to a household where both parents are deceased and where all occupants of property are children of the deceased and under the legal age 18 years to contract for services
7.	“Constitution”	Means the Constitution of the Republic of South Africa, 108 of 1996.
8.	“consumer”	Means a person or entity consuming or receiving municipal services, and may include a customer or a tenant of a customer irrespective of whether such a person has concluded a service agreement with the Municipality, and may also include a person who illegally and unlawfully connected to the municipal services infrastructure or who illegally and unlawfully gained access to or usage of the municipal services.
9.	“Council”	Means the Municipal Council of the Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution.

10.	<p>“Credit Control & Debt Collection Policy” and “Credit Control & Debt Collection By-Law”</p>	<p>Means the Credit Control and Debt Collection Policy as adopted by the Council of the Municipality and the Credit Control & Debt Collection By-Law adopted in terms of the provisions of section 96 and section 98 of the Systems Act.</p>
11.	<p>“Customer”</p>	<p>Means the owner of the premises or in exceptional circumstances a tenant, and includes a person or entity liable to the Municipality for the payment of tariffs, levies, fees and municipal consumption charges in terms of a service agreement concluded with the Municipality, and may include a person who applied to the Municipality to become a Registered Indigent in terms of this policy, and who is not the owner of the premises, but who is:</p> <ul style="list-style-type: none"> the child in control of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents of that child; or the party to whom the residential property is awarded in the event of a divorce; or where a deceased estate has not been wound up: <ul style="list-style-type: none"> in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses’ names, and the surviving spouse is the sole heir; or a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential

		<p>property is registered in the name of that deceased; or</p> <p>(iv) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate;</p> <p>and who simultaneously with the application for indigent support in terms of this policy, applied for the provision of municipal services in terms of the Credit Control & Debt Collection Policy and By-Law of the Municipality to be granted an account and to conclude service level agreement</p>
12.	” Disabled”	<p>a disabled person or person with a disability refers to a person who has a long-term or recurring physical, mental, intellectual, or sensory impairment which substantially limits their prospects of entry into, or advancement in, employment or participation in society.</p>
13.	“equitable share”	<p>Means an allocation made by the National Government during a financial year, in its fiscal allocation, gazette through the Division of Revenue Act (hereinafter “the DORA”), in order to assist municipalities to fund various expenses including expenses such as free basic services.</p>
14.	“Employed”	<p>Refers to a person who is engaged in work under a contract of employment and receives remuneration (salary, wage, commission, or other payment) for services rendered.</p>
15.	“Unemployed”	<p>Refers to someone who is without work, is available for work, and is actively seeking employment, but is unable to find a job</p>

16.	“free basic alternative energy”	Means any other form of basic energy excluding electricity (including solar home system) deemed necessary to support basic energy needs of an indigent household as determined from time to time, and funded by the Government.
17.	“free basic electricity”	Means a limited amount of free electricity deemed necessary to provide basic services as determined and funded by the National Government.
18.	“financial year”	Means the period starting from 1 July in any year and ending on 30 June of the following year.
19.	“household”	Means the total number of persons who permanently reside in and occupy a single premise for residential purposes.
20.	“Household income”	Refers to any form of remuneration and / or income as defined in the Sixth Schedule to the Income Tax Act, 58 of 1962 but excluding State Children Support grants
21.	“Indigent person”	in terms of South African local government legislation refers to a person or household that is poor and unable to pay fully for basic municipal services.
22.	“Indigent Policy” or “this policy”	Means the Indigent Policy, adopted by the Council of the Municipality.
23.	“Indigent Register”	Means a record of the Registered Indigents established and maintained by the Municipality as per the provisions of this policy.
24.	“indigent support”	Means the financial and other support, discounts, subsidies and assistance which the Municipality renders to Registered Indigents and households headed by Registered Indigents.
25.	“Municipal Finance Management Act” or	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003 and the regulations promulgated in terms of this act.

	“MFMA”	
26.	“Municipal Manager”	Means the Municipal Manager of the Municipality appointed in terms of the provisions of section 54A of the Systems Act and as referred to in the definition of “Accounting Officer” in section 1 of the MFMA, and also referred to in section 60 of the MFMA, and includes a person acting as an Accounting Officer, or the person to whom the Accounting Officer has delegated his/her authority to act.

27.	“Municipality”	<p>Means the MOSES KOTANE LOCAL MUNICIPALITY (also referred to as “the RLM”) a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: Stand 933 Station Road Mogwase, North West Province, and may, depending on the context, include:</p> <p>(a) its successor in title; or</p> <p>(b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality’s duties, functions and powers; or</p> <p>(c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.</p>
28.	“Municipal Property Rates Act” or “MPRA”	Means the Local Government: Property Rates Act, Act 6 of 2006 and the regulations promulgated in terms thereof.
29.	“municipal service” or “services”	<p>Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether:</p> <p>such service is provided or to be provided by the</p> <p>(a) Municipality through an internal mechanism contemplated in section 76; and</p> <p>(a) fees, charges or tariffs are levied in respect of such service or not.</p>
30.	“municipal tariff” or “tariff”	Means a fee, charge or tariff for services which the Municipality may set for the provision of a municipal service to the local community, and includes a surcharge on such fee, charge or tariff.
31.	“occupier”	Means any person who occupies premises or part thereof, without taking cognisance of the title under which
32.	“Pensioner”	refers to a person whom is at least 60 years of age and older on date of application and qualifies for and receives the Older Person’s Grant from the South African Social Security Agency (SASSA)

		he or she occupies the premises, and occupant has a corresponding meaning.
33..	“rates”	Means a municipal rate on property levied in terms of the provisions of section 229(1)(a) of the Constitution and section 2(1) of the MPRA.
34..	“Rates Policy”	Means the Rates Policy of the Municipality as adopted by the Municipality in terms of the provisions of section 3(1) of the MPRA.
35.	“Registered Indigent”	Means a person, qualifying to be registered as an indigent in terms of this policy, who has applied to the Municipality in terms of this policy to be registered as a Registered Indigent, whose application was approved by the Municipality, and who is indicated as a Registered Indigent in the Indigent Register.
36.	“service agreement”	Means the written agreement concluded between the Municipality and a customer for the provision of municipal services to premises once the Municipality has approved the customers official application form for the rendering of such services to the customer and which contains the terms and conditions upon which the Municipality will render such services to the customer.
37.	“Structures Act”	Means the Local Government: Municipal Structures Act, Act 117 of 1998 and the regulations promulgated in terms thereof.
38.	“subsidised services”	Means the municipal services, the costs of which are either subsidised in full or in part by the Municipality.
39.	“Systems Act”	Means the Local Government: Municipal Systems Act, Act 32 of 2000 and the regulations promulgated in terms thereof.
40	“Tenant “	A person who leases a dwelling from a landlord.
41.	“Tariff Policy”	Means the Tariff Policy of the Municipality adopted in terms of the provisions of section 74(1) of the Systems Act.
42.	“Tariff Schedule”	Means the schedule containing details pertaining to the levels and application of the various fees, charges or tariffs as approved by the Council from time to time.

5. INTRODUCTION/ PREAMBLE

(1) **WHEREAS** the provision of free basic municipal services by a Municipality is part of the broader social agenda and anti-poverty strategy of the South African Government, the Moses Kotane Local Municipality(hereafter “the Municipality”), must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services in terms of section 152(1)(b) and 153(b) of the Constitution of the Republic of South Africa, 108 of 1996 (hereafter the Constitution);

(2) **AND WHEREAS** a Municipality, as the third sphere of government, therefore has a constitutional duty to assist the National and Provincial spheres of government in the realisation of the above-mentioned rights;

(3) **AND WHEREAS** the key purpose of this Indigent Policy is to ensure that households with no or a lower income level are not denied basic municipal service, and to ensure the sustainability of the rendering of these municipal services to indigent consumers, within the financial and capacity restraints of the Municipality;

(4) **AND WHEREAS** the Indigent Policy must be maintained for so long as the Municipality is able to, without compromising the financial stability and functioning of the Municipality;

(5) **AND WHEREAS** it is of importance to set appropriate and sustainable threshold levels and subsidies of tariffs for indigent consumers;

(6) **AND WHEREAS** the Municipality requires qualifying indigent consumers to register as such and to agree to the terms, conditions and restrictions of the Municipality by completing the Municipality’s application documentation.

6. PURPOSE OF THE POLICY

6.1 PURPOSE

6.1.1

The purpose of this policy is to ensure that Registered Indigents have access to basic Municipal Services, to ensure that the subsidy scheme for Registered indigents forms part of the Financial management system of the Municipality and to provide procedures and guidelines for the subsidisation of basic Municipal Services and tariff charges to the Registered Indigents

6.1.2

To ensure that the same procedure be followed for each individual case in a fair and equitable manner as required

6.1.3

Is to ensure that indigent households are not denied a reasonable service, and on the other hand, the Municipality is not financially burdened with non-payment of services

6.1.4

To achieve this purpose, it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs. The consumer, in order to qualify for indigent, needs to complete the prescribed documentation as required

6.1.5

Provide procedures and guidelines for the subsidisation of basic service charges to indigent households using the ESG allocation, received from Central Government and other budgetary provisions

7. LEGISLATIVE FRAMEWORK AND GUIDELINES

- Constitution of the Republic of South Africa, Act No: 108 of 1996
- Section 152(1)(b) and 153(b) of the Constitution of Republic of South Africa, 108 of 1996
- The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- Local Government Municipal Systems Act, Act No: 32 of 2000
- The Municipal Property Rates Act, 2004 (Act 6 of 2004)
- Local Government: Municipal Structures Act No: 117 of 1998
- Local Government: Municipal Structures Amendment Act No: 33 of 2000
- Local Government: Municipal Systems Act No: 32 of 2000
- Local Government: Municipal Structures Act No: 06 of 2006
- Municipal Finance Management Act No: 56 of 2003
- Water Service Act No: 108 of 1997

Guidelines

- Framework for Municipal indigent policies; Towards a basket of services for the poor, dated May 2007
- Free basic Strategy and guidelines prepared by the DWAF
- Electricity Basic Support Tariff (free basic electricity) policy prepared by the Department of minerals and Energy

8. AIM OF THE POLICY

8.1 The Credit Control policy aims to achieve the following:

8.1.1

To distinguish between those who can and those who genuinely cannot pay for services

8.1.2

To encourage those who cannot pay to register with the Municipality so that they may receive subsidies;

8.1.3

To enable the Municipality to determine and identify defaulters to ensure appropriate Credit Control procedures are in place

8.1.4

To establish an indigent directory of all persons who complies with the policy

8.2 OBLIGATION TO PAY

8.2.1

The policy on provision of services should endeavour to provide services in accordance with the amount available for subsidy.

8.2.2

It is however important to note that the subsidy received may not cover the full account. In such event the consumer is still responsible for the balance between the full account and the subsidy received.

8.2.3

Where applicable, Credit Control measures must still be applied in accordance with the approved Credit Control policy, for such outstanding amounts.

9. POLICY BACKGROUND

The infrastructure & Technical Services Department is responsible for the provision of Water, Sanitation, Roads, Storm water and community lighting (Street lights and High lights). The Municipality is the Water Services Authority (WSA) and Water Service Provider (WSP)

The area of operation for the Department is split into two regions, namely Mankwe (Eastern Side of the Municipal Area) and Mankwe (Western Side of the Municipality) and it consists of the following business units;

- Water and Sanitation
- Roads and Storm water
- Electro/ Mechanical
- Project management unit (PMU)

Magalies Water Board is the bulk water supplier to the Municipality. Water service and infrastructure is headed by the Technical Services Department. Water and Sanitation, Road and Storm water in the eastern site is supplied with bulk water from the Vaalkop Dam whilst on the western site the municipality operates and maintain three water treatment plants; Pella, Madikwe and Molatedi. It is mandated by legislation to provide water and sanitation services to all its residents.

10. POLICY PRINCIPLES

The following should be the guiding principles in implementing the indigent support policy;

10.1.

The indigent support policy is in accordance with the Local Government Municipal Act, 2000 and other amending or related legislation.

10.2

Relief will be provided by the council to registered residential consumers (household) of services

10.3

The council must wherever possible, ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienating any group of households.

10.4

Differentiation must be made between those households who cannot afford to pay for basic services and those who simply do not want to pay for these services.

10.5

It should be based on a predetermined period or financial year.

F

10.6

The collective or joint gross income of the household will be considered.

10.7

The household income must be correctly reflected on the application for requesting indigent support.

10.8

The residents must formally apply on the prescribed application forms for the relief. The application forms will be evaluated and. If successful, the resident(s) will qualify for the indigent support according to the prescribed criteria/principles laid down by the council. An effective and efficient evaluation system is imperative to obtain the outcome within a reasonable time determined by the council subject to Ward Councillor / CDW verification

10.9

The onus is on the recipient to inform the council of any change in his/her status or personal household circumstances

10.10

Water supply to indigent must be restricted to 6kl per month

11. POLICY OBJECTIVES

The objectives of this policy will be to ensure the following;

1. The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
2. Establishment of a framework for the identification and management of indigent households including a socio- economic analysis and the indigent exit strategy;
3. The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
4. To ensure co-operative governance with other spheres of government; and
5. To enhance the institutional and financial capacity of the municipality to implement the policy

12. SCOPE OF APPLICATION

1. Child headed household
2. Pensioners
3. Unemployed
4. Household who have income that is less than the prescribed threshold of the Municipality

13. TARGETING APPROACH

For a household to qualify as an indigent, a household should comply with the following requirements:

- 13.1 The applicant must be a resident of the MKLM
- 13.2 The applicant must be eighteen (18) years of age and above
- 13.3 The total household joint gross income of all occupants or dependents in a single must be less than two (2) state pension grant income
- 13.4 The applicant must be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system
- 13.5 The applicant must be the owner and occupier of the property (stand) registered for indigency.
- 13.6 The applicant must be a bonafide South African citizen with valid identification document
- 13.7 All households that are child headed, even if they are below eighteen (18) years of age can apply for the indigent support
- 13.8 Applicants for FBE must have electricity connected to the household and those without connection an alternative energy like (gas, paraffin, gel) should be supply
- 13.9 The onus for applying rest with the consumer who cannot afford to pay municipal tariff for services received.

14. ROLES AND RESPONSIBILITY OF INDIGENT COMMITTEE

14.1 COMPOSITION OF INDIGENT COMMITTEE

- Chairperson: Finance
- Chairperson: Infrastructure
- CFO
- Manager Revenue
- Senior Manager Infrastructure

- Manager Civil Engineering & Maintenance
- Manager Communications
- Manager Office of the Speaker
- CDW Supervisor
- Senior FBS Officer

INDIGENT COMMITTEE

- Indigent Committees must be established to approve/disapprove indigent support to applicants.
- The Indigent Committee must be established to comprise of councillors and relevant officials of the Municipality.
- The Indigent Committee must meet at least once per quarter.
- The Indigent Committee must consider each recommended application; assess it in terms of the application and any other knowledge or information which members may have in respect of the applicant.
- The recommended application must then be captured in the Indigent Management System. The date which the record was submitted to the Indigent Committee should be noted in the system in order to track the status of the application within the process.

14. APPLICATION PROCESS

14.1

The application form for indigent household subsidy must be complete by all consumers who wish to qualify in terms of this policy

14.2

The account holder must apply in person and must present the following documents upon application

- The latest municipal account in his/ her possession
- The account holder`s identity document
- An application form indicating the names and identity numbers of all occupants/ residents over the age of 18 years, who reside at the property
- Documentary proof of income where possible
- Sassa old age / Disability confirmation letter

15. QUALIFYING CRITERIA

15.1

Grants-in-aid may, within the financial ability of the Municipality, be allocated to owners or tenants of premises who receive electricity, water and sewerage or refuse removal services from the Municipality, in respect of charges payable to the Municipality for such services

15.2

These grants may be allocated if such a person or any other occupier of the property concerned can submit proof or declare under oath that all occupants over 18 years of age had no income or a verified total gross monthly income equal to **2 x monthly old Persons Grant** or less for the preceding three consecutive months. Person/s receiving pensions who can submit proof that the household income does not exceed a total amount equal to 2 x monthly Old Persons Grant per month or less will qualify for indigent support.

15.3

Only one application per person in respect of one property shall qualify for consideration. A business, body, association, club or governing body shall not qualify for consideration.

15.4

The subsidy will apply to the owner or tenant of the property concerned

15.5

The subsidy will not apply in respect of households owning more than one property, who will therefore not be classified as indigent.

16. RIGHT OF APPEAL

An applicant who is the registered household owner living within the municipal jurisdiction and therefore feels aggrieved by a decision taken in respect of his/her application may lodge an appeal against that decision within 21 days

17. VERIFICATION OF THE INDIGENT REGISTER

- The verification form of information supplied must be completed by an official duly authorized by the CFO, or a municipal agent appointed by Council, which is to be used to audit (verify) the information submitted by applicants.
- The relevant Ward Councillor, Ward Committee and Public Participation Officers must be involved during the evaluation process and must verify the application together with the relevant officials

- The above forms must be read in conjunction with the policy and forms part of Council's indigent policy
- The list of indigent households may be made available at any time to the ITC for the purpose of exchanging credit information. Households qualifying for consumer credit elsewhere will not be regarded as indigents
- If an application is considered favourably, a subsidy will only be granted during a municipal financial year and the subsequent twelve (12) month budget cycle and no monetary value will be paid to the Indigent only Services rendered will be credited,
- The onus will rest on the approved account holders to apply for relief on an annual basis.
- The frequency of audits will depend on the institutional capacity of the Municipality to do so. Quarterly targeted audits and reviews should be undertaken to ensure the verification and re-registration of each Registered Indigent at least once in a 3 (three) year cycle.
- Where any doubt exists regarding the current status of a registered indigent person, the matter must be immediately referred to the Indigent Committee for verification, which may be conducted at any time.

18. MONITORING AND EVALUATION

18.1

The Office of the Speaker must report monthly on the status and implementation of indigent support in the Municipality to the Municipal Manager, via the Municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect, with reference to the financial year and month to which the report relates, on the:

- (a) number of applications for indigent support received;
- (b) the number of applications for indigent support approved;
- (c) number of Registered Indigents currently in the Municipality;
- (d) amount of subsidy allocated per subsidy category;
- (e) total amount spent by the Municipality on indigent support;
- (f) amount of debt accumulating and debt recovery information (number of customers; enquires; arrangements for the paying off of debt in instalments; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);
- (g) performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:
 - (i) number of applications for indigent support dealt with;
 - (ii) time taken to process and finalise applications;
 - (iii) site visits undertaken; and

- (iv) awareness and exit initiatives;
- (h) Changes in the status of Registered Indigents.

19. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

19.1

Any person who supplied false information will be disqualified from further participation in the subsidy scheme. He/she will also be liable for the immediate repayment of all subsidies received, and the institution of criminal proceedings, as the Municipality may deem fit

19.2

The onus also rests on indigent support recipients to immediately notify Council of any changes in their indigence status

19.3

Applicants will be required to sign and submit a sworn affidavit, to the effect that all information supplied is true and that all income, i.e. from formal and/or informal sources is declared

20. ARREARS ACCOUNT

20.1

The approved account holder shall remain responsible for any outstanding amount at the date of application as well as for future charges

20.2

The arrears on the accounts of households, approved as indigent, will be suspended until such time as the status of the approved account holder has changed. No interest shall accrue on arrear amounts from the date of suspension and account holders must sign an acknowledgment of debt in respect of arrears so suspended

21. COMMUNICATION

(1) The Municipality must develop a community communication strategy, embodying the principles of transparency and fairness, in terms of which communities will be informed and educated on the contents of this policy in order to provide a clear understanding of the provisions of this policy and the implementation thereof.

(2) Regular information dissemination and awareness campaigns by the Municipality must be undertaken to eliminate unrealistic expectations both in terms of qualifying criteria for indigent status, the extent of the benefits accorded to Registered Indigents, as well as municipal service delivery in general.

- (3) The methods of communication that the Municipality may utilise include, but will not be limited to:
- (a) Ward committees;
 - (b) Community Development Workers (CDW's);
 - (c) Local radio stations and newspapers and F
 - (d) Imbizo's and road shows.
- (4) The Municipality must communicate the following to the community:
- (a) what the Municipality is trying to achieve with regard to the Indigent Policy;
 - (b) how the Municipality will be going about implementing the Indigent Policy;
 - (c) what the value for indigent and non-indigent households is;
 - (d) who qualifies for the indigent support and how the Municipality has determined this;
 - (e) how qualifying households should access the indigent support; and
 - (f) The financial constraints of the Municipality which limits the levels of sustainable indigent support that can be provided.

22. CONTACT PERSON IN TERM OF THE POLICY

Position: Senior FBS Officer: Mrs L. Taukobong
FBS Clerk: Ms. A. Kopong
FBS Clerk: Ms. R, Ramokopeloa
Telephone: 014-555-1415/1416/1445

Position: Principal Accountant: Revenue Ms. M. Kgabo.
Telephone: 014-555-1350 or 06-504-6463

MISCELLANEOUS

1. REVIEWAL OF POLICY

This policy will be reviewed annually before July of the year proceeding the new financial year and be amended, if necessary.

2. NAME OF POLICY

This policy will be known as Indigent support policy

Details of the Indigent Policy must be communicated in an easily understandable manner to the communities of Moses Kotane Local Municipality.

The methods of communication that the Municipality may use include, but will not be limited to:

- 19.1 Councillors and Ward committees;
- 19.2 Traditional leaders, where applicable;
- 19.3 Municipal news letter
- 19.4 Municipal accounts
- 19.5 Loud hailing
- 19.6 Awareness campaigns

22. (a) EXIT MECHANISMS

21.1 Facilitation of skills training and other education related programmes should be attempted to develop the indigent to become self-sufficient and thereby reduce the rate of indigency.

21.2 The Municipality must promote exit from indigence by:

- (a) identifying Registered Indigents for inclusion in public works projects;
- (b) initiating local job creation projects such as cleaning operations, small infrastructure projects, etc;
- (c) facilitation of opportunities to enter the informal trade market;
- (d) facilitation of food security projects; and
- (e) liaison with National and Provincial departments to include Registered Indigents and other indigent persons in their public works programmes.

22. (b) EXIT MECHANISMS

Registration as an indigent household is terminated under the following circumstances:

- At the death of the account holder
- Upon the sale of the property within 12 months of registration.
- If the registered indigent no longer resides at the property and upon termination of the rental agreement
- When the criteria for qualifying as indigent changes to the extent that approval no longer applies •
- If it is discovered, after approval, that the person or applicant applying on behalf of a household has supplied false information (this will also result in the household's municipal account being debited with all monies previously credited) •
- When the registered indigent moves out of the property on which he or she is residing to another property within the boundary of the MKLM•
- registration will be terminated if it is found that the financial status of the registered indigent household or family has changed to such an extent that it warrants such termination

23. SERVICES TO BE SUBSIDISED

23.1 Water Services

A subsidy of six (6) kilolitres of water per household per month, subject to the provision that the subsidy will only apply where the consumer agrees in writing that the supply of water to the applicable premises may be restricted by a flow control washer (restriction washer) being inserted in the water meter. The six (6) kilolitres of water is currently supplied to all residential consumers free of charge, as per Council policy, and do not represent an additional six (6) kilolitres.

The Municipal Manager grant authority for installation of pre-paid/smart meters where a person has been approved as an indigent for 6kwh of water

All prepaid meters are charged at a rate indicated in the MKLM tariff policy.

23.2 Electricity Services

A subsidy of 50 kWh electricity per household per month will be allocated to an indigent household who is eligible thereto in terms of the Electricity Basic Services Support Tariff (EBSST) as published in Government Gazette No. 25088 of 04 July 2003.

The Municipal Manager grant authority for installation of pre-paid meters where a person has been approved as an indigent for 50kwh of electricity.

All prepaid meter is charged at a rate indicated in the MKLM tariff policy

23.3 Refuse Removal Services

A subsidy, determined at the beginning of every financial year and equal to the ordinary tariff for weekly household refuse removals, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

23.4 Sewerage Services

A subsidy, determined at the beginning of every financial year, will be applied for the duration of that particular financial year equal to the monthly household charge for sewerage availability. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

23.5 Assessment Rates and Other Service Charges

Assessment rates and other service charges will be subsidized in full subject to the maximum of the balance left after the subsidy for the Water, Electricity, Sewerage and Refuse services have been subtracted from the maximum subsidy.

24. ARREAR ACCOUNTS

24.1 The approved account holder shall remain responsible for any outstanding amount at the date of application as for future charges

24.2 The arrears on the accounts of households, approved as indigent, will be suspended until such time as the status of the approved account holder has changed. Account holders must sign an acknowledgement of debt in respect of arrears.

25. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS

If an application is approved, services will be restored free of charge. If services are to be suspended thereafter in terms of the approved credit control policy, the approved tariff will be payable in full.

26. CREDIT CONTROL POLICY TO BE APPLIED FOR INDIGENT HOUSEHOLDS CANCELLED

27. Aims of the Policy

The credit control policy aims to achieve the following:

27.1 To distinguish between those who can and those who genuinely cannot pay for services;

27.2 To encourage those who cannot pay to register with the municipality so that they may receive subsidies;

27.3 To enable the municipality to determine and identify defaulters to ensure appropriate credit control procedures are in place;

27.4 To establish an indigent directory of all persons who complies with the policy.

28. Obligation to Pay

28.1 The policy on provision of services should endeavour to provide services in accordance with the amount available for subsidization.

28.2 It is however important to note that the subsidy received may not cover the full account. In such event the consumer is still responsible for the balance between the full account and the subsidy received.

28.3 That on approval of indigency the municipality writes-off the outstanding debt as per the Credit Control and Debt Collection Policy.

28.4 Where applicable, credit control measures must still be applied, in accordance with the approved credit control policy, for such outstanding amounts.

**MOSES KOTANE
LOCAL MUNICIPALITY**

INDIGENT MANAGEMENT POLICY



MOSES KOTANE LOCAL MUNICIPALITY

Village	Ward no.	Application no.
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RATES ACC NO.

--

WATER ACC NO.

--

ESKOM METER NO.

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The following documents must be presented upon application:

- a. Latest Municipal Account
- b. Copies of ID documents of applicant and all occupants / residents over the age of 18 years who reside at the property.
- c. Documentary proof of income where applicable.

APPLICATION FOR INDIGENT HOUSEHOLD SUBSIDY

- 1. In an effort to assist the needy population of Moses Kotane Local Municipality in the payment of Municipal services the Council has agreed to a subsidy scheme whereby household's income does not exceed a total amount equal to 2 x Pension Grant per month will have services fully or partly subsidised. Retired persons receiving pension grants not more than a combined total of 2 x per month will have services fully or partially subsidised.
- 2. Please read the back of this form to see if you qualify and what documents / items 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 18 years old on date of application together with their respective gross monthly income in the space below.

A: APPLICATION FORM FOR INDIGENT HOUSEHOLD SUBSIDY**PERSONAL PARTICULARS OF ALL OCCUPANTS OVER 18 YEARS LIVING AT THE HOUSEHOLD**

	ID No.	INITIALS	SURNAME	EMPLOYED	EMPLOYER	GROSS MONTHLY INCOME	SOURCE OF INCOME
1							
2							
3							
4							
5							

DECLARATION OF 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 solely 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 belief, true and correct;
- b. If the particulars furnished in this form should change for any reason, I will immediately notify the Council;
- c. I am aware that the information supplied in this form by me will be made available by the Council to the Credit Bureau.
- d. 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 was made;
- e. I agree that the Council officials may conduct an on-site audit to verify the information supplied in this declaration;
- f. I am aware that any false declaration on this form, is punishable by law and will result in disqualification of the subsidy;
- g. I agree that the supply of water to my premises may be restricted by a flow-control washer and/or any other method Council may deem fit; and
- h. I hereby acknowledge that the amount in respect of the arrears as at (Together with interest accrued at the Standard Interest Rate) on account number indicated above remains payable by me.

FULL NAME OF APPLICANT

PLACE

SIGNATURE / THUMB PRINT OF THE APPLICANT

APPENDIX B

MOSES KOTANE LOCAL MUNICIPALITY

HOUSEHOLD INDIGENCE SUBSIDY SCHEME

VERIFICATION FORM OF INFORMATION SUPPLIED:

HOME ADDRESS: _____

In terms of the Indigence Subsidy Scheme, the applicant agreed that Municipal Employees may conduct an on-site audit to verify the information supplied on the application form.

SECTION A: PARTICULARS OF ACCOUNT HOLDER

- 1. Surname _____
- 2. First Names _____
- 3. ID number _____
- 4. Date of Birth _____
- 5. Residential Address _____

- 6. Postal Address _____
- 7. Telephone no. _____
- 8. Persons Interviewed _____
- 9. Number of people living on Property (over 18) _____

SECTION B: INCOME OF HOUSEHOLD

ID Number	Initial & Surname	Gross Monthly Income	Source of Income	Employed Yes/No	Proof of Income
Total					

SECTION C: INSURANCE POLICIES

Company	Policy type	Monthly payments
Total		

DECLARATION BY VERIFYING OFFICER:

I, the undersigned, who on behalf of the Moses Kotane Local Municipality, conducted an on-site audit at the address to verify the information supplied on application for the Indigence Subsidy, hereby solemnly declare that:

- a) All particulars furnished in this form were supplied by the household.
- b) None of the above particulars were in any way altered by myself unless instructed to do so by the household and initialled accordingly.
- c) Based on my investigation, it is my belief that to the best of my knowledge the above household: _____ qualifies for the subsidy/needs to be further investigated.

Total Income R _____

Total Expenditure R _____

Full name of Verifying Officer

Signature

Date

Full name of Supervisor

Signature

Date