

ANNEXURE B2

HESSEQUA LOCAL MUNICIPALITY

DRAFT INDIGENT POLICY 2026/2027





TABLE OF CONTENTS

	Page
1. DEFINITIONS	3
2. INTRODUCTION	5
3. PURPOSE OF THE POLICY	5
4. POLICY PRINCIPLES	5
5. POLICY OBJECTIVES	6
6. LEGISLATIVE FRAMEWORK	6
7. TARGETING OF INDIGENT HOUSEHOLDS	6
8. QUALIFICATION CRITERIA	7
9. ASSISTANCE PROCEDURES	9
10 THE EXTENT OF INDIGENT SUPPORT	11
11 THE EXTENT OF INDIGENT SUPPORT FOR CATEGORY A AND B INDIGENTS	12
12 CATEGORY C - INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES	14
13 CATEGORY D - INDIGENT HOUSEHOLD TENANTS NOT RECEIVING MUNICIPAL ACCOUNTS	15
14 CATEGORY E – CHURCHES IN INDIGENT AREAS WHO ARE REGISTERED ON THE NATIONAL REGISTER OF CHURCHES	15
15 CATEGORY F – CRECHES IN INDIGENT AREAS WHO ARE REGISTERED WITH THE DEPARTMENT OF SOCIAL DEVELOPMENT	<u>16</u> <u>16</u> <u>15</u>
16 PROCESS MANAGEMENT	<u>16</u> <u>16</u> <u>15</u>
17 DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER	<u>19</u> <u>19</u> <u>18</u>
18 PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION	<u>20</u> <u>20</u> <u>19</u>
19 TARIFF POLICY	<u>20</u> <u>20</u> <u>19</u>
20 SOURCES OF FUNDING	20
21 METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY	<u>21</u> <u>21</u> <u>20</u>
22. RESTORING SERVICES TO QUALIFIED HOUSEHOLDS	<u>21</u> <u>21</u> <u>20</u>
23 DEPOSITS	<u>21</u> <u>21</u> <u>20</u>
24 MONITORING AND REPORTING	21
25 CAPACITY BUILDING	<u>22</u> <u>22</u> <u>21</u>
26 IMPLEMENTATION AND REVIEW OF THIS POLICY	<u>22</u> <u>22</u> <u>21</u>



HESSEQUA MUNICIPALITY

INDIGENT POLICY

DOCUMENT AND VERSION CONTROL

Version: Draft – 2026/2027

Date:

Summary: This document describes the Indigent Policy that will be applicable to the Hessequa Municipality, with effect from 01 July 2026.

ASA de Klerk

Municipal Manager

Date:

G RIDDLES

Executive Mayor:

Date:

1. DEFINITIONS

“basic service” means water provided through one service connection, the removal of refuse once per week, and sewerage services provided by one service connection or one septic tank;

“extended family” means a family unit that extends past the nuclear family to include other relatives such as aunts, uncles, and grandparents;

“household” means a registered owner or tenant with or without children who reside on the same premises;

“indigent” means any household or category of households, earning a combined gross income, as determined by the Municipality annually in terms of a social and economic analysis of its area, which qualifies for rebates/remissions, support or a services subsidy; provided that child support grants are not included when calculating such household income;

“Municipality” means the **Hessequa Municipality**, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, Councillor, duly authorized agent or any employee acting in connection with this policy by virtue of a power vested in the Municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

“programme officer” an official duly authorised by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible for the following:-

- a. to ensure that applications for indigent support are received, assessed and submitted for consideration and approval;



- b. to ensure that approved applications are captured on the Financial Management System; and
- c. to ensure that information on applications are verified and that regular audits are executed.

The Accountant Credit Control fulfils the role of Programme Officer within the Municipality.

“occupier” means the person who controls and resides on or controls and otherwise uses immovable property, provided that:-

- a. the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
- b. where both spouses reside on immovable property and one of them is a full time occupant thereof, the other shall also be deemed to be the occupier thereof.

“owner”, in relation to immovable property, means:-

- a. the person in whom is vested the legal title thereto provided that:-
 - (i) the lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof; and
 - (ii) the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;
- b. if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- c. if the owner is absent from the Republic or if his or her address is unknown to the Municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- d. if the Municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

“premises” includes any piece of land, the external surface boundaries of which are delineated on:-

- a. a general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
- b. a general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and
- c. situated within the jurisdiction of the Municipality;

“rates means any tax, duty or levy imposed on property by the Council.



2. INTRODUCTION

- 2.1 The Municipal Council 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.
- 2.2 Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads.
- 2.3 The Constitution recognises Local Government as a distinct sphere of Government and as such also entitles Local Government to a share of nationally raised revenue, which will enable it to perform their basic function of providing essential services to the community within their boundaries.
- 2.4 The key purpose of an Indigent Policy is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary the Municipality is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the Indigent Policy should remain intact.
- 2.5 To achieve the purpose it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs.
- 2.6 The customer, in order to qualify as an indigent, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by Hessequa Municipality.

3. PURPOSE OF THE POLICY

The purpose of this Policy is to ensure that the subsidy scheme for indigent households forms part of the financial management system of Hessequa Municipality and to ensure that the same procedure is followed for each individual case.

4. POLICY PRINCIPLES

- 4.1 Apart from meeting legislative requirements, this Policy also emanates from the objectives determined in Council's Anti-corruption Policy.
- 4.2 It is against the above background that the Hessequa Municipality undertakes to promote the following principles:-
 - 4.2.1 To ensure that the portion for free basic services allocated as part of the equitable share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;



- 4.2.2 To link this Policy with the Municipality's Integrated Development Plan (IDP), Local Economic Development (LED) initiatives and poverty alleviation programmes;
- 4.2.3 To promote an integrated approach to free basic service delivery; and
- 4.2.4 To engage the community in the development and implementation of this Policy.

5. POLICY OBJECTIVES

In support of the above principles the objectives of this Policy will be to ensure the following:-

- 5.1 The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- 5.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- 5.3 Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and an exit strategy;
- 5.4 The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
- 5.5 To ensure co-operative governance with other spheres of government; and
- 5.6 To enhance the institutional and financial capacity of the Municipality to implement the Policy.

6. LEGISLATIVE FRAMEWORK

This Policy is designed and implemented within the framework of the following legislation:-

- 6.1 The Constitution of the RSA, 1996;
- 6.2 Local Government Municipal Systems Amendment Act, 2003, Act No 44 of 2003;
- 6.3 The Local Government Municipal Finance Management Act 2003, Act no 56 of 2003;
- 6.4 The Promotion of Administrative Justice Act, 2000, Act no 3 of 2000;
- 6.5 The Promotion of Access to Information Act, 2000, Act no 2 of 2000; and
- 6.6 The Local Government Municipal Property Rates Act, 2004, Act no 6 of 2004.

7. TARGETING OF INDIGENT HOUSEHOLDS

- 7.1 The effective targeting of indigent households and the implementation of this Policy will depend largely on the social analysis included in the IDP, the LED initiatives and other poverty relief programmes of the Hessequa Municipality. The socio-economic information and performance



indicators contained in these documents must form the basis for the targeting of indigent households. Against the background of such socio-economic analysis, the Municipality must, within its financial and institutional capacity, decide which targeting approach or option should be applied.

7.2 The Municipality may apply the following targeting methods:-

Targeting approach	Application
1. Service levels	Lowest service levels normally in informal settlements and rural areas.
2. Property value	Applicable only to registered indigents in respect of subsidised or RDP housing to a value determined in addition to the R15 000 in terms of the Property Rates Act, 2004.
3. Household income	Threshold shall be determined in terms of socio-economic analysis equaling two state pension grants per indigent household or an amount determined by the Council from time to time.
4. Geographical (Zonal) targeting	Specific areas (rural or urban) where households are regarded as poor irrespective of service level.

7.3 For the 2025/2026-2026/2027 financial year the Municipality will use household income as the targeting approach for the registration of indigent customers.

8. QUALIFICATION CRITERIA

The qualification criteria for indigent support shall be determined by the Municipality from time to time, provided that until the Hessequa Municipality determines otherwise, the following criteria shall apply:-

- 8.1 The applicant must be a resident within the Hessequa Municipal area.
- 8.2 The applicant must be in possession of a valid South African identity document.
- 8.3 The total monthly gross income or basic salary (for salaried individuals) of the registered owner/tenant and his/her spouse or life companion is not more than an amount as determined by Council from time to time. This amount includes any rental received from other occupants on the stand, ~~but~~ excluding ~~es~~ any payments received from the applicant's children. ~~Excluding~~ social grants received for children, foster care, and grant-in-aid, maintenance received for children (proven by court order) and Unemployment Insurance Fund (UIF) payments. This amount will be determined at the beginning of every financial year and will be applied for the duration of that particular financial year.



- 8.4 The applicant must be the full-time occupant who receives municipal services and is registered as an account holder on the municipal financial system;
- 8.5 Any occupant or resident of the single household referred to above may not own more than one property in addition to the property in respect of which indigent support is provided, excluding property allocated in terms of the Rural Areas Act (Act no 9 of 1987) read together with the Transformation of Certain Rural Areas Act (Act no 94 of 1998).
- 8.6 A tenant can only apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.
- 8.7 The surviving spouse or dependents of a deceased estate, may apply for assistance.
- 8.8 The applicant must not own a business or have a Spaza Shop on the premises.
- 8.9 Estate Accounts
- 8.9.1 Where the applicant/owner is deceased the surviving next of kin (husband/wife/child/grandchild) who then is responsible for the running of the household will qualify for the same benefits as the deceased applicant/owner once a new application form has been completed by the next of kin, received and approved by the Municipality.
- 8.9.2 Where the house has already been an Estate house for a period of time the heir to the house (husband/ wife/ child/ grandchild) which has applied for indigent status may receive the same benefit as the deceased owner.
- 8.9.3 In both of the above events the following will apply:
- (a) the applicant must indicate on the application form that the owner is deceased and that the house is an estate house **AND**
- (b) the applicant must attach the letter of Executorship with permission granted by the executor to apply for the subsidy **OR** an affidavit(s) (declaration) to state that he or she is the person who lives in the house and is responsible for the municipal account.
- 8.9.4 In the case where an affidavit or declaration was made as per 8.9.3(b) above and the estate is registered subsequently to the granting of indigent assistance the indigent assistance will cease and the household would have to re-apply with the new letter of executorship.



9. ASSISTANCE PROCEDURES

9.1 Communication

- 9.1.1 The Municipality must develop a communication strategy in terms of which communities will be informed and educated in order to have a clear understanding of this Policy and its implementation.
- 9.1.2 Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general and methods of communication may include, but will not be limited to:-
 - 9.1.2.1 Ward committees;
 - 9.1.2.2 Community based organisations;
 - 9.1.2.3 Local radio stations and newspapers;
 - 9.1.2.4 Municipal accounts;
 - 9.1.2.5 Imbizo's, roadshows and community outreach programmes;
 - 9.1.2.6 SMS, Municipal Website and Municipal Newsletter; and
 - 9.1.2.7 Jamborees where government and municipal officials are made available to assist residents with applications such as ID applications, pension- and social grant applications, etc.

9.2 Institutional Arrangements

The Municipality must designate existing staff or appoint officials, or engage appointed Community Development Workers who have been trained in terms of the Municipality's directions to assist with the implementation and development of this Policy and must establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

9.3 Application/Registration

- 9.3.1 A person applying for indigent support must complete a formal indigent support application form approved by the Municipality attached as Annexure A.
- 9.3.2 Such forms will be available at approved registration points provided by the Municipality.
- 9.3.3 Applications for the indigent subsidy must be accompanied by the following documentation:



~~9.3.3.1 The latest municipal account – received by the household;~~

9.3.3.12 Original certified copies of identity documents of all occupants;

9.3.3.23 Proof of the income of the applicant and his / her spouse / life companion; i.e. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as "looking for employment"; and a declaration of all occupants on the property indicating their status of employment.

9.3.3.34 Bank Statement and statements for any other investments, for the last three months, certified by the bank and/or financial institution and a sworn affidavit from the applicant that no other bank accounts or investments exist; or

9.3.3.45 If the applicant and his/her spouse/life companion is not the holder of any bank account, a sworn affidavit stating that the applicant and his/her spouse/life companion does not have any bank account in his/her name must be submitted upon application on the prescribed application form referred to in paragraph 9.3.1.

9.3.3.56 If the applicant is a tenant, written proof must be provided that the owner does not foresee any problem if the tenant applies for indigent subsidy.

9.4 Assessment and Screening of Applicants

Upon registration of an application all information must be verified by the Programme Officer or another official in the absence of the Programme Officer.

9.5 Recommendation

~~Once the verification has been completed, the Programme Officer must submit the application to the relevant Ward Indigent Assistance Committee.~~

9.69.5 Recommendation - Indigent Assistance Committee

~~9.6.1~~ 9.5.1 Ward Councilors must nominate, one month after election for office, three members residing in the ward to establish a Ward Indigent Committee and submitting their names, via the Manager Income, to Council for approval of their appointment. A Ward Indigent Committee consists of the three nominated ward residents and the Ward Councilor, who acts in a monitoring role only. The Ward Indigent Committee will expire when the Ward Councilor vacates office

~~9.6.2~~ 9.5.2 Indigent Assistance Committees must operate within the approved Terms of Reference.

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~~9.6.3~~ 9.5.3 The Indigent Assistance Committee must consider each application received in terms of 9.3 and assess it in terms of the application and any other knowledge or information which members may have in respect of the applicant.

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~~9.6.4~~ 9.5.4 The minutes of the meeting must be submitted to the Revenue: Manager who will submit an approval request to the Director: Financial Services for approval. All applicants must be informed within 14 days, not exceeding 30 days on the status of their application via sms/letter/e-mail or any other means.

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~~9.6.5~~ 9.5.5 Indigent Assistance Committees must monitor, in conjunction with Ward Councillors, ward committees and other persons or organisations it may appoint, the implementation of the indigent support programme subject to the Policy directions of the Municipality and in consultation with the Municipal Manager.

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~~10.7~~ 9.6 Right of Appeal

An applicant who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal in terms of section 62 of the Municipal Systems Act, Act no 32 of 2000, addressed to the Municipal Manager. If the Appeal is rejected, a 60 day cooling off period must elapse before a new application may be lodged for the related erf / household.

~~11.10~~ THE EXTENT OF INDIGENT SUPPORT

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Introduction

- 10.1 The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.
- 10.2 The general threshold for indigent support is restricted to qualifying households with a combined income amount determined by Council at the beginning of every financial year and will be applied for the duration of that particular financial year.
- 10.3 The Municipality recognises the following five levels of indigent support:-
 - 10.3.1 Category A - Support to qualifying households where the combined total gross income of the registered owner/ tenant and his/her spouse or life companion is equal or less than ~~R5 000.00~~ R5 500.00 excluding ~~grant in aid, child support and foster care exclusions as per 8.3 above.~~
 - ~~10.3.2 Category B is hereby abolished with effect from 01 July 2025 and will be included under Category A with the higher combined total gross income.~~
 - ~~10.3.3~~ 10.3.2 Category C - Care centres where elderly care is provided. The subsidy will be restricted to a fixed amount per month determined by Council at the beginning of every financial year per resident with an income equal or lower than the income amount determined by Council at the



beginning of every financial year. The indigent assistance is rendered in the form of credit on the monthly electricity levy payable by the management of the particular institution. The total subsidy should not exceed the total monthly municipal account.

~~10.3.4~~10.3.3 Category D – Indigent household tenants not receiving municipal accounts. Support to qualifying households where the combined total gross income of the registered tenant and his/her spouse or life companion is equal or less to the minimum amount or within the extended amount as determined by Council from time to time. The indigent assistance is rendered in the form of credit on the monthly municipal account payable by the owner of the property. The total subsidy should not exceed the total monthly municipal account.

~~10.3.5~~10.3.4 Category E – Churches who are registered on the National Register of Independent Churches / South African Council of Churches. Where more than 50% of the members of that congregation are registered as indigents in terms of the Council's Indigent Policy the property will be subsidised to the same extent as an indigent household.

10.3.5 Category F – Creches who are registered with the Department of Social Development. Where more than 50% of the learners' households are registered as indigents in terms of the Council's Indigent Policy the property will be subsidised to the same extent as an indigent household.

10.3.6 Category G – Senior Citizens Clubs where more than 50% of the members are registered as indigents in terms of Council's Indigent Policy the property will be subsidised to the same extent as an indigent household provided that the property utilized is not utilized for any other purpose than activities of the club. Proof of property rental or ownership of the property must be provided upon application.

11 THE EXTENT OF INDIGENT SUPPORT FOR CATEGORY A INDIGENTS

Within the above mentioned budgetary process and in striving to create the situation where poor households will be granted access to a full social package, assistance and support to Category A households may be granted as set out below.

11.1 Electricity

11.1.1 Category A - registered indigents will receive 50 kWh of electricity per month fully subsidised or an amount to be determined by Council on an annual basis.

11.1.2 Unused free electricity units will not be carried over to the next month. Any meter tampering will result in the subsidisation to be withdrawn. In the event of the electricity supplied by Eskom directly the Hessequa Municipality will pay over an amount to Eskom equal to 50 kWh of electricity per month based on the customers registered with the Hessequa Municipality as indigents and not based on any indigent records submitted by Eskom.

11.2 Water



11.2.1 Category A registered indigents shall be fully subsidised for the basic levy for water for one service connection as provided for by Council in the annual budget from time to time.

11.2.2 Category A - registered indigents will receive 6 kilolitres of water per month fully subsidised or an amount as determined and provided for by the Council in the annual budget from time to time.

11.2.3 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.3 Sewerage

11.3.1 Category A registered indigents shall be fully subsidised for the basic levy for sewerage for one service connection as provided for by Council in the annual budget from time to time.

11.3.2 The above subsidy will also be applicable to qualifying indigents with no waterborne sewerage but serviced through septic tanks. The subsidy will be restricted to the basic levy for septic tanks.

11.3.3 Qualifying indigents with waterborne sewerage systems will receive one free blockage clearance per month.

11.3.4 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.4 Refuse Removal

11.4.1 Category A registered indigents shall be fully subsidised for the basic levy for refuse removal for one removal per week as provided for by Council in the annual budget from time to time.

11.4.2 The subsidy shall not be more than the applicable tariff for that year and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.5 Property Rates

11.5.1 Category A registered indigents shall be fully subsidised for the net levy (after deduction of exemptions) for property rates calculated on a maximum market value of R850 000 provided for by Council in the annual budget from time to time, and subject to the provisions of the Municipal Property Rates Act.

11.5.2 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.6 Burials



- 11.6.1 In the event of the death of a member (**as indicated on the application**) of a category A indigent household, the Municipality will exempt the household from the cost of digging and preparation of a single grave, provided that the burial takes place in a municipal cemetery. Such application must be accompanied by a certified copy of the Death Certificate, Burial Order and a sworn affidavit regarding the relationship of the applicant.
- 11.6.2 In the event of cremation a contribution equivalent to the cost of digging and preparation of a single grave will be paid over to the institution where the cremation takes place.
- 11.6.3 In the event of the death of a member of a household in a rural area, the Municipality will exempt the household from the cost of digging and preparation of a single grave, provided that the burial takes place in a municipal cemetery. Such application must be accompanied by a certified copy of the Death Certificate, Burial Order, proof of income which is less than R 5,000500.00 per month and a sworn affidavit regarding the permanent residence in Hessequa of the applicant.
- 11.6.4 In case of a deceased infant, the indigent grave will be granted if the parent is part of the household that appears on the approved form and birth of the child registered on the indigent application six (6) months prior the death.

11.7 Informal Municipal Site Rentals and Municipal Building Rentals

- 11.7.1 Category A registered indigents shall be fully subsidised for the payment for site rental as provided for by Council in the annual budget from time to time.
- 11.7.2 Category A registered indigents shall be subsidised for 50% of the payment for building rental as provided for by Council in the annual budget from time to time.
- 11.7.3 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.8 Fees for Building Plans and Building Lines

- 11.8.1 Category A registered indigents shall be subsidised for the payment of fees as provided for by Council in the annual budget from time to time.
- 11.8.2 The subsidy shall not be more than the applicable tariff for that year, and will be applied for the duration of that particular financial year. The subsidy shall form part of the Tariff Policy applicable for the financial year.

11.9 Water Leakages

- 11.9.1 The municipality may, upon its discretion and based on merit subsidise an indigent household for expenditure associated with water leakages upon approval of the Director: Financial Services and Director: Technical Services.

11.10 Electricity Infrastructure

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11.10.1 The municipality may, upon its discretion and based on merit subsidise an indigent household for expenditure associated with prepaid electricity meter box repair / replacement upon approval of the Director: Financial Services and Director: Technical Services.

12 CATEGORY C - INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES

- 12.1 Indigent customers living in retirement centres or old age homes shall be eligible to qualify for assistance and support in terms of this Policy.
- 12.2 The onus will be on the Board of Trustees/Managing Agent to apply to the Municipality, for indigent status to be granted in respect of electricity consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification.

13 CATEGORY D - INDIGENT HOUSEHOLD TENANTS NOT RECEIVING MUNICIPAL ACCOUNTS

- 13.1 Indigent customers, renting property where the municipal account is rendered to the owner of the property only, i.e. flats and second dwellings, shall be eligible to qualify for assistance and support in terms of this Policy.
- 13.2 The onus will be on the indigent customers, who meet the criteria and conditions for qualification, to apply to the Municipality for indigent status to be granted. Upon approval the municipal account of the owner of the property responsible for the payment of the municipal account, will monthly be credited with the respective amount on behalf of the owners of those units, who meet the criteria and conditions for qualification.

14 CATEGORY E – CHURCHES IN INDIGENT AREAS WHO ARE REGISTERED ON THE NATIONAL REGISTER OF CHURCHES

- 14.1 Churches where more than 50% of the members of that congregation are registered as indigents in terms of the Council's Indigent Policy shall be eligible to qualify for assistance and support in terms of this Policy to the same extent as an indigent household.
- 14.2 The onus will be on the Minister of the Church to submit proof ~~to Council~~ of the number of members registered as indigents in terms of the Council's Indigent Policy. This must be done through submission of the ID numbers of the members qualifying and an affidavit in respect of the total number of members belonging to the congregation.
- 14.3 No subsidy will be payable in respect of any vacant stands owned by any church.



15 CATEGORY F – CRECHES IN INDIGENT AREAS WHO ARE REGISTERED WITH THE DEPARTMENT OF SOCIAL DEVELOPMENT

15.1 Creches where more than 50% of the learners' households are registered as indigents in terms of the Council's Indigent Policy shall be eligible to qualify for assistance and support in terms of this Policy to the same extent as an indigent household.

15.2 The onus will be on the Owner of the Creche to submit proof to the municipality of the number of learners households registered as indigents in terms of the Council's Indigent Policy. This must be done through submission of the ID numbers of the members qualifying and an affidavit in respect of the total number of learners belonging to the creche.

15.3 No subsidy will be payable in respect of any vacant stands owned by any creche.

16 CATEGORY G – SENIOR CITIZENS CLUBS

16.1 Clubs where more than 50% of the members are registered as indigents in terms of the Council's Indigent Policy shall be eligible to qualify for assistance and support in terms of this Policy to the same extent as an indigent household.

16.2 The onus will be on the chairperson/managing agent of the club to submit proof of the number of members registered as indigents in terms of the Council's Indigent Policy. This must be done through submission of the ID numbers, accompanied by original certified copies of identity documents of the members qualifying and an affidavit in respect of the total number of members belonging to the club.

16.3 The property utilized must not be utilized for any other purpose than activities of the club and confirmed by the club in a sworn affidavit.

16.4 Proof of property rental or ownership of the property.

~~15.3~~ 16.5 No subsidy will be payable in respect of any vacant stands.

16.17 PROCESS MANAGEMENT

16.1.17.1 Applications

16.1.17.1.1 The indigent application form should be completed in full and captured on an application register and, once formally approved, it must be captured onto the relevant indigent register and accounting system.

16.1.217.1.2 Applicants must give permission that the information submitted may be verified by a credit bureau or similar agency.

16.1.317.1.3 All applications must be sworn by the SAPS or a Commissioner of Oaths on signing.

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~~46.2~~17.2 Monthly consumption

~~46.2.1~~17.2.1 At the date of application or reapplication, an applicants' average monthly consumption must be noted and monitored as follows:

- (a) electricity consumption of the preceding 12 months exceeding a twelve-month average of 350 kWh; and
- (b) water consumption of the preceding 12 months exceeding a twelve-month average of 15kl.

~~46.3~~17.3 Validity Period

~~46.3.1~~17.3.1 The validity period of assistance will be for the duration that the applicant remains indigent. Households, in terms of the audit and review process, will be subjected to scrutiny to determine any change in status.

~~46.3.2~~17.3.2 Households may have to periodically re-apply. The period of validity will be determined by the Municipality from time to time. Currently, re-application must be done at least once in a three year cycle or any other period as may be determined by the Municipality.

~~46.3.3~~17.3.3 If the applicant(s) is of pensionable age living by themselves or with under age dependents only, the indigent status will renew automatically provided that a physical verification gets performed to confirm the status remained the same.

~~46.4~~17.4 Death of Registered Applicant

In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met.

~~46.5~~17.5 Publication of Register of Indigent Households

Names of indigent beneficiaries will not be open for public perusal and comment.

~~46.6~~17.6 Arrears and Excess Usage of Allocations

~~46.6.1~~17.6.1 Upon registration or renewal as an indigent household, outstanding debt of successful applicants will be written off against the council's provision for bad debt. This section must be read in conjunction with Section 25 (4) of Council's approved Credit Control and Debt Collection Policy.

~~46.6.2~~17.6.2 Where restriction of consumption applies to a particular service, applicants may not refuse to be restricted in terms of Council Policy. Where restrictions are not possible the account holder will be responsible for the consumption in excess of the approved subsidy.



~~16.6.3~~17.6.3 Upon approval of indigent status the customer's meter for electricity may be converted to a pre-paid meter at the cost of Council, while the water meter may be converted to a pre-paid meter at the cost of the Council.

~~16.6.4~~17.6.4 The writing off of any arrears is strictly subject to the provision that the property may not be sold within a period of three years from the date that the owner qualify as a registered indigent. In the case of the property being sold inside a period of three years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate is issued.

~~16.7~~17.7 **Termination of Indigent Support**

Indigent Support will be terminated under the following circumstances:-

- 16.~~7~~6.1 Upon death of the registered indigent customer for that particular property.
- 16.~~7~~6.2 Upon sale of the property in respect of which support is granted, subject to the provisions of paragraph 16.~~6~~5.4.
- 16.~~7~~6.3 When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded.
- 16.~~7~~6.4 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:-
 - 16.~~7~~6.4.1 All arrears will become payable immediately;
 - 16.~~7~~6.4.2 Stringent credit control measures will apply; and
 - 16.~~7~~6.4.3 The applicant will not be eligible to apply for indigent support for a period of five (5) years.

~~16.8~~17.8 **Audit and Review**

~~16.8.1~~17.8.1 The Municipality may conduct regular audits of the indigent register with regard to the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of applicants.

~~16.8.2~~17.8.2 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 reregistration of each qualified indigent customer at least once in a three (3) year cycle.

~~16.8.3~~17.8.3 Council reserves the right to send officials or its agents to premises/households receiving relief from time to time for the purpose of conducting an on-site audit of the details supplied.



~~16.8.4~~17.8.4 Where any doubt exists regarding the current status of a registered indigent customer, the matter should immediately be referred to the Ward Indigent Committee for verification at any time.

~~16.9~~17.9 **Exit Programme**

~~16.9.1~~17.9.1 Members of households registered as indigent must be prepared to participate in exit programmes coordinated by the Municipality in collaboration with other government departments and the private sector.

~~16.9.2~~17.9.2 As part of its broader poverty reduction programme the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development (LED) initiatives and in the implementation of integrated development programmes where possible.

~~16.9.3~~17.9.3 The Municipality must promote exit from indigence by:-

~~16.9.3.1~~17.9.3.1 identifying indigents for inclusion in public works projects;

~~16.9.3.2~~17.9.3.2 initiating local job creation projects such as cleansing operations, small infrastructure projects, etc.;

~~16.9.3.3~~17.9.3.3 facilitation of opportunities to enter the informal trade market;

~~16.9.3.4~~17.9.3.4 facilitation of food security projects; and

~~16.9.3.5~~17.9.3.5 liaison with National and Provincial departments to include indigent persons in their public works programmes.

~~17~~18 **DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER**

- 17.1 The Chief Financial Officer will be responsible to compile and administer the database for households registered in terms of this Policy.
- 17.2 Registration will take place on a continuous basis and in accordance with the programme of quarterly targeted audits and reviews. The Municipality may decide to launch special registration campaigns from time to time.
- 17.3 The Municipal Manager or his/her delegate will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.



18 PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

- 18.1 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. Non-compliance will make the application invalid.
- 18.2 Any person who supplies false information will be disqualified from further participation in the subsidy scheme and be liable for the immediate repayment of all subsidies received and all debts including arrears that have previously been written off. Council may furthermore institute criminal proceedings, as it may deem fit.
- 18.3 The onus also rests on indigent support recipients to immediately notify Council of any changes in their indigence status.

19 TARIFF POLICY

- 19.1 The Municipal Systems Amendment Act stipulates that a Municipal Council must adopt and implement a Tariff Policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements and which complies with the provisions of the Act and with any other applicable legislation.
- 19.2 A Tariff Policy must reflect, amongst others, at least the following principles, namely that:-
 - 19.2.1 The amount individual users pay for their services should generally be in proportion to their use of that service;
 - 19.2.2 Poor households must have access to at least basic services through-
 - 19.2.2.1 tariffs that cover only operating and maintenance costs;
 - 19.2.2.2 special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
 - 19.2.2.3 any other direct or indirect method of subsidisation of tariffs for poor households.
 - 19.2.2.4 The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

20 SOURCES OF FUNDING

- 20.1 The amount of subsidisation will be limited to the amount of the equitable share received on an annual basis. This amount may be varied on a yearly basis according to the new allocation for a particular financial year.
- 20.2 The Municipality resolves to subsidise all registered indigents for property rates, electricity, water, sewerage, refuse removal, site rentals, burials, municipal building rentals and fees for building plans / building lines per month or an amount to be determined annually by Council.



- 20.3 If approved as part of the Tariff Policy the amount of subsidisation may at any time be increased through cross subsidisation, i.e. step tariff system in which case paragraph 19.2.2.3 shall apply.

21 METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY

- 21.1 No amount shall be paid to any person or body, but shall be transferred on a monthly basis as a credit towards the approved account holder's municipal services account in respect of the property concerned.
- 21.2 Arrear amounts shall not qualify for any assistance and shall not be taken into consideration. Calculations shall be based on the monthly current accounts only and in accordance with the approved Tariff Policy.

22. 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 for reconnection will be payable.

23 DEPOSITS

- 23.1 In terms of Councils Credit Control and Debt Collection Policy all customers must apply for the provision of municipal services before such services are rendered to a particular property. On application for the provision of municipal services the customer deposit prescribed by Council shall be paid.
- 23.2 For the purposes of registering and allocating the applicable subsidy to qualified indigent customers, accounts will be opened for these customers without requiring any deposit. This is made possible through the fact that the value of services levied against these accounts is fully offset on a monthly basis against the applicable indigent subsidy. This arrangement will immediately terminate if the status of the indigent customer changes.

24 MONITORING AND REPORTING

The Chief Financial Officer must report monthly 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 on:-

- 24.1 Number of indigent households applications received;
- 24.2 Amount of subsidy allocated per benefit category;



24.3 Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);

24.4 Performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:-

24.4.1 Number of applications for indigent support dealt with;

24.4.2 Time taken to process and finalise applications;

24.4.3 Site visits undertaken; and

24.4.4 Awareness and Exit initiatives.

24.5 Changes in the registered status of indigents.

25 CAPACITY BUILDING

The Municipality must ensure that all officials and Councillors are appropriately capacitated in Free Basic Services in terms of the following key areas:-

25.1 Database management;

25.2 Demand and revenue management; and

25.3 Policy and by-law implementation.

26 IMPLEMENTATION AND REVIEW OF THIS POLICY

26.1 This Policy shall be implemented once approved by Council. All future applications for indigent registrations must be considered in accordance with this Policy.

26.2 In terms of section 17(1) (e) of the MFMA this Policy must be reviewed on annual basis and the reviewed Policy tabled to Council for approval as part of the budget process.



Annexure A

HESSEQUA

Munisipaliteit/Municipality/U Masipala



LOCAL MUNICIPALITY

Tel : 028 7138000
Fax : 086 6961641
P.O Box 29,
RIVERSDAL, 6670

INDIGENT APPLICATION FORM / DEERNIS AANSOEVORM

Account No./ Rekening No.: Type/Type: New/Nuut ☐
Renewal/Hernuwing ☐

SECTION/AFDELING A: DEMOGRAPHIC INFORMATION OF APPLICANT / DEMOGRAFIESE INFORMASIE VAN AANSOEKER		
1. Surname / Van		
2. Full Names / Volle Name (As per the Identity document/ Soos op die Identiteitsdokument)		
3. ID number / ID nommer		
4. Gender/Geslag (Tick Male/Female/Merk Manlik/Vroulik)	Male / Manlik ☐	Female / Vroulik ☐
5. Contact Number / Kontak Nommer:	Cellphone / Selfoon	Work / Werk
6. Pensioner / Pensionaris Yes /Ja ☐ No/Nee ☐	Disabled / Ongeskik Yes/Ja ☐ No / Nee ☐	Grant-in-Aid / Oppasgelde Yes /Ja ☐ No/Nee ☐
7. Provide the marital status of the household head/ Verskaf die huwelikstatus van die Aansoeker (Tick in the appropriate selection / Merk in die blokkie van die mees benaderde keuse.)		
7.1 Single/Ongetroud ☐ Married/Getroud ☐ Divorced/Geskei ☐ Customary Marriage/Tradisionele Huwelik ☐ Widower/Wewenaar ☐ Widow/Weduwee ☐ Separated/Vervreemd ☐ Co-habiting/Saamleef ☐		
If married, indicate regime below/ Indien getroud, dui aan tipe huwelik: a) In community of property /Binne gemeenskap van goedere ☐ b) Out of community of property with accrual/Buite gemeenskap van goedere met aanwas ☐ c) Out of community of property without accrual/ Buite gemeenskap van goedere sonder aanwas ☐		
8. If applicant is married, provide Identity number of spouse / Indien Aansoeker getroud is, verskaf Identiteits nommer van gade		
9. Ownership Status/Eienaarskap: Owner/Eienaar ☐ Tenant /Huurder ☐ If tenant, complete the section below/ Indien huurder, voltooi onderstaande: a) Describe relationship to owner/ Beskryf verhouding met die eienaar: b) Permission from owner to apply / Toestemming van eienaar om aansoek te doen: Yes/Ja ☐ No/Nee ☐ If yes, proof must be provided in writing together with this application/ Indien ja, geskrewe bewyse moet aansoek vergesel. c) Is the house part of a deceased estate/ Is die huis deel van 'n bestorwe boedel?: Yes/Ja ☐ No/Nee ☐		



SECTION/AFELING B: PROPERTY DETAILS/ EIENDOMSBESONDERHEDE									
10.	Stand number/Erf nommer		Town/Dorp						
11.	Select Ward/Kies Wyk (Mark with/Merk met X)								
	1	2	3	4	5	6	7	8	9
12.	Residential address / Residensiële adres								
13.	Do you have rental units on your stand/ Het u huur wooneenhede op die perseel? Yes/Ja ☐ No/Nee ☐								
	IF Yes, indicate rental received p/m/ Indien Ja, verklaar huurinkomste p/m: R.								
14.	Do you have an electrical meter on your stand/ Het u 'n elektrisiteitsmeter op u perseel? Yes/Ja ☐ No/Nee ☐								
	IF YES, indicate Type/ INDIEN JA, verskaf tipe: Pre-Paid /Voorafbetaald ☐ Conventional/Konvensioneel ☐								
	Provide meter number / Verskaf meter nommer :								
15.	Do you have a water meter on your stand/ Het u 'n water meter op u perseel? Yes/Ja ☐ No/Nee ☐								
	IF YES, indicate Type/ INDIEN JA, verskaf tipe: Pre-Paid /Voorafbetaald ☐ Conventional/Konvensioneel ☐								
	Provide meter number / Verskaf meter nommer :								
16.	Have you completed a Service agreement with the Municipality/ Het u 'n Diensooreenkoms voltooi met die Munisipaliteit? Yes /Ja ☐ No /Nee ☐ Uncertain/ Onseker ☐								
17.	Details of ownership of other fixed properties (including those outside municipal jurisdiction)/ Besonderhede van eienskap van ander vaste eiendom (insluitend die buite die munisipale jurisdiksie)								
18.	Property Detail (Erf Number and Town as per Title Deed)/ Eiendomsbesonderhede (Erf Nommer en Dorp soos per Titel Akte)						Market Value / Markwaarde (R)		
18.1									
18.2									
18.3									
19.	Do you have a bank/investment account(s)/ Beskik u oor enige bank/beleggingsrekening? Yes/Ja ☐ No/Nee ☐								
	If Yes, provide details below and proof thereof upon submission of application. / Indien Ja, verskaf besonderhede en bewyse met aansoek.								
		Account No./Rekening No. 1		Account No./Rekening No. 2		Account No./Rekening No. 3			
A	Bank								
B	Account number/Rekening Nommer								
C	Type / Tipe								
D	Branch Code / Tak Kode								



SECTION/AFDELING C: INCOME DETAILS/INKOMSTE BESONDERHEDE

20.1 DECLARATION OF INCOME – APPLICANT AND SPOUSE (Attach certified copies of ID and Proof of Income)/ VERKLARING VAN INKOMSTE – AANSOEKER EN GADE (Heg gesertifiseerde afskrifte van ID en Bewys van inkomste aan)

Full Names and Surname/ Volle name en Van:	Age/ Ouderdom:	Gross Income/ Bruto Inkomste: R
Full Names and Surname/ Volle name en Van:	Age/ Ouderdom:	Gross Income/ Bruto Inkomste: R

(20.1) Total Gross Income/
Totale Bruto Inkomste: R

20.2 DETAILS OF OTHER OCCUPANTS (Attach certified copies of ID/Birth Certificate)/ BESONDERHEDE VAN ANDER OKKUPEERDERS (Heg gesertifiseerde afskrifte van ID/Geboortesertifikaat aan)

	Full Names and Surname (As per the Identity Document)/ Volle Name en Van (Soos op Identiteitsdokument)	Age/ Ouderdom:	Gender (M/F)/ Geslag (M/V)	Employment Status (U/E)/ Werkstatus (W/NW)	RELATIONSHIP TO APPLICANT/ VERHOUDING MET AANSOEKER
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Declaration of Applicant/ Verklaring van Aansoeker

The undersigned hereby declare that the information provided in this application for indigent registration is to the best of my knowledge true and correct and I further:

1. Declare that all information in respect of the income status of my spouse and all occupants of my household is correct.
2. Should it be found that this application contains fraudulent information, the benefit will be immediately withdrawn, all arrears will become payable immediately, credit control measures will apply and will be disqualified for a period of 5 years.
3. Providing false information to benefit from the subsidy is a fraudulent and criminal offence.
4. Acknowledge that the municipality may review my application for indigent relief on a regular basis and to visit the property at any reasonable time for the purpose of verifying the information provided upon application.
5. Provide permission to the municipality to install prepaid metering for services upon approval if the household is on conventional, to ensure better management of electricity and water consumption.
6. Provide permission to the municipality to limit my consumption to prevent further escalation of debt.
7. Acknowledge that should my monthly account exceeds the approved indigent subsidy received, I am responsible for paying the balance and if I fail to do so, the municipality shall load the outstanding balance on my account to the Auxiliaries (disconnect/block/restrict services).
8. That I will apply for de-registration or immediately inform the relevant official, in writing, if my circumstances improve to such an extent that I no longer meet the requirements for the subsidy.
9. Give permission that my name be published on the indigent register for public inspection and that the information provided upon application be verified at the credit bureau or any other institution to verify accuracy of information provided.

Signature of Applicant/Handtekening van Aansoeker

Date/Datum

Commissioner of Oaths/Kommisaris van Ede

Date/Datum

Indigent Application Form/Deernis Aansoekvorm

Page 3 of 4



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CHECKLIST

- ☐ Original Certified copy of the applicants ID
- ☐ Original Certified ID copies of all other people who reside on the property
- ☐ Original Certified Copies of all proof of income/affidavit of applicant and his/her spouse
- ☐ Affidavit declaring number of bank/investment accounts.
- ☐ Municipal account
- ☐ Permission letter from the owner if applicant is not the owner

Total Outstanding debt on date of application

Current Account (Total Outstanding Debt including Arrangement)	Total Hand Over Debt	Total
R	R	R

Checked By: Signature: Date:

Verified By : Signature: Date:

Recommended by Indigent Assistance Committee: Yes ☐ No ☐

If No, indicate reason below:

- ☐ Income Exceeded Threshold.
- ☐ Not Residing at residence.
- ☐ Spaza Shop
- ☐ Alleged Illegal Business Activities.
- ☐ False information provided upon application.
- ☐ Owns more than 1 property.

Other:

Committee Member's Recommendation:

Circle Decision

1. Member: Signature: Recommendation: YES / NO
2. Member: Signature: Recommendation: YES / NO
3. Member: Signature: Recommendation: YES / NO
4. Member: Signature: Recommendation: YES / NO
5. Member: Signature: Recommendation: YES / NO
6. Member: Signature: Recommendation: YES / NO
7. Member: Signature: Recommendation: YES / NO
8. Member: Signature: Recommendation: YES / NO
9. Member: Signature: Recommendation: YES / NO
10. Member: Signature: Recommendation: YES / NO

Indigent Application Form/Deernis Aansoekvorm

Page 4 of 4