TOKOLOGO LOCAL MUNICIPALITY

INDIGENT SUBSIDY POLICY

2026/2027 Financial year

TABLE OF CONTENTS

1. ABBREVIATIONS---------- 3
2. DEFINITION OF TERMS---------- 3
3. INTRODUCTION / PREAMBLE---------- 4
4. LEGAL FRAMEWORKS AND POLICIES---------- 5
5. POLICY BACKGROUND---------- 5
6. POLICY PRINCIPALS---------- 5
7. POLICY OBJECTIVES---------- 5
8. SCOPE OF APPLICATION---------- 6
9. TARGETING APPROACH---------- 6
10. QUALIFICATION CRITERIA---------- 7
11. APPLICATION---------- 7
12. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION---------- 9
13. EXIT MECHANISMS---------- 9
14. MONITORING AND EVALUATION---------- 10
15. VERIFICATION OF THE INDIGENT REGISTER---------- 10
16. COMMUNICATION---------- 11
17. CONTACT OF THE OFFICE RESPONSIBLE FOR THE INDIGENT POLICY---------- 11
18. ADDITIONAL INFORMATION---------- 11
19. LIST OF STAKEHOLDERS---------- 15
20. POLICY APPROVAL BY COUNCIL---------- 15

1. ABBREVIATIONS

"CFO" - Chief Financial Officer
"CoGTA" - Cooperative Governance and Traditional Affairs
"DoE" - Department of Energy
"DWS" - Department: Water and Sanitation
"IDP" - Integrated Development Plan
"LED" - Local Economic Development
"MFMA - Municipal Finance Management Act
"RDP" - Reconstruction and Development Programme
"SALGA" - South African Local Government Association
"SARS" - South African Revenue Services
"UIF" - Unemployment Insurance Fund

2. DEFINITION OF TERMS

"child headed household" means a household where both parents are deceased and where all occupants of property are children of the deceased and are all under the legal age to contract for service and are considered as minors in law by the state;

"household" means as a registered owner or tenant with children who reside on the same premises;

"indigent" means any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times the Government pension grant as prescribed by the National Department of Social Development or in line with the National Indigence Framework issued by the Department Local Government (DLG), who qualify, according to the policy, for rebates/remissions, support or a services subsidy. Examples hereof include pensioners, the unemployed and child-headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts.

"Indigent Management System" an electronic management system used by Tokologo Local Municipality for the management of the register of indigent households.

"**municipality**" means the municipality of Tokologo, 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 by-law 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 to ensure that an assessment, screening and site visits are undertaken.

a. To ensure that applications for indigents support are received and assessed;
b. To ensure that applications are captured on the Indigents Management System;
c. To ensure that information on applications are verified and that regular audits are executed and
d. To authorise expenditure with regard to indigent support.

'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 an occupier thereof, the other shall also be deemed an occupier;

'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];
[b] a general plan registered in terms of the Sectional Titles Act, 1986 [Act No. 95 of 1986], and situated within the jurisdiction of the municipality;

'Rates' means any tax, duty or levy imposed on property by the Council;

3. INTRODUCTION / PREAMBLE

3.1 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 services in terms of section 152(1)(b) and 153(b) of the Constitution.

3.2 The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidisation of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

3.3 The key purpose of an indigent subsidy 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 subsidy policy should remain intact:

a) To achieve the purpose it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs.
b) The consumer, in order to qualify as an indigent, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by Tokologo Municipality.

4. LEGAL FRAMEWORKS AND POLICIES

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

4.1 The Constitution of the RSA, 1996;
4.2 The Municipal Systems Act, 2000 (Act 32 of 2000);
4.3 The Municipal Finance Management Act, 2003 (Act 56 of 2003);
4.4 The Promotion of Access to Information Act, 2000 (Act 2 of 2000);
4.5 The Property Rates Act, 2004 (Act 6 of 2004).

5. POLICY BACKGROUND

The constitution recognizes Local Government as a distinct sphere of Government and as such also entitles it to a share of nationally raised revenue, which will enable it to perform its basic function of providing essential services to the community within its respective boundaries.

As a developmental institution, the municipality needs to commit to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

6. POLICY PRINCIPLES

It is against the above background that the municipality undertakes to promote the following principles:

6.1 To ensure that 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;
6.2 To link this policy with the municipality's IDP, local economic development (LED) initiatives and poverty alleviation programmes;
6.3 To promote an integrated approach to free basic service delivery; and
6.4 To engage the community in the development and implementation of this policy

7. POLICY OBJECTIVES

In support of the above principles the objective of this policy will be to ensure the following:

7.1 The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
7.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
7.3 Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
7.4 The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and
7.5 To ensure co-operative governance with other spheres of government.

8. SCOPE OF APPLICATION

Grants-in-aid may within the financial ability of the Municipality be allocated to account holders who receive electricity, water, sewerage or refuse removal services from the Municipality, in

respect of charges payable to the Municipality for such services. Tenants should have their own municipal accounts for the services mentioned to qualify for the subsidy

.

These grants for households may be allocated if an account holder can submit proof that the household has no income or a verified total gross monthly income equals to or less than the sum of 2 (two) state funded social pension grants.

Only 1 (one) application per account holder in respect of one property shall qualify for consideration. A business, body association, club or governing body shall not qualify for consideration. The subsidy will apply to the account holders only. The subsidy will not apply in respect of account holders owning more than 1 (one) property, except where a building is constructed over more than one property. Tenants will also be subsidized on one property rented.

9. TARGETING APPROACH

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 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.

Depending on capacity the municipality may apply any or a combination of the following as targeting methods:

Targeting approach	Application
1. Service levels	Lowest service levels normally in informal settlements and rural areas.
2. Service consumption	Metered services in urban and rural areas.
3. Property value	Applicable only to registered indigents in respect of subsidised or RDP housing to a value determined in addition to the R15000 in terms of the Property Rates Act, 2004.
4. Household income	Threshold determined in terms of socio-economic analysis.
5. Geographical (Zonal) targeting	Specific areas (rural or urban) where households are regarded as poor irrespective of service level.

10. QUALIFICATION CRITERIA

Qualification criteria for indigent support and the municipal services qualifying for such support shall be determined by the municipality from time to time, provided that until the municipality determines otherwise, the following criteria shall apply:

10.1 The applicant must be a resident within the Tokologo municipal area.
10.2 The applicant must be in possession of a valid South African identity document.
10.3 The combined or joint gross income of all occupants or dependants in a single household which receives services from the municipality is not more than the amount as determined by the Council from time to time. The amount will be determined at the beginning of every financial year and will be applied for the duration of that particular financial year.
10.4 If the total gross income of all occupants is less or equal to R 6,000.00 per month, the household will receive 6kl of water and 50 units of electricity and 100% subsidy for sanitation and refuse removal.
10.5 The applicant must be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system.
10.6 Any occupant or resident of the single household referred to above does not own any property in addition to the property in respect of which indigent support is provided.
10.7 A tenant can apply for the benefits in respect of the charges he/she is billed for and the landlord will still be liable for all ownership related charges such as rates.
10.8 The account of a deceased estate may be written off if the the surviving spouse or dependants of the deceased, who occupy the property, qualify for indigency. In the case where the occupants of the property are minors, the account will stay in the name of the deceased until one of the minors is old enough to open an account.

11. APPLICATION.

11.1. A person applying for indigent support must complete a formal indigent support application form approved by the municipality. Such forms will be available at approved registration points provided by the municipality.
11.2. Applications must be accompanied by the following:

11.2.1 A copy of the applicant's identity document;
11.2.2 The latest municipal account if applicable;
11.2.3 Documentary proof of income, or an affidavit declaring lack of income and/or proof of registration as unemployed, plus bank statements (where applicable);
11.2.4 Particulars of any other grants received by the accountholder;
11.2.5 Proof of ownership of business or second properties.

11.3. The applicant must consent to the installation of any form of pre-paid meters as a system to limit the consumption of services and to abate the accumulation of debt;
11.4. As part of the application, the applicant must be willing to give consent for external scans and credit bureau checks;
11.5. If the application is approved, the assistance and support given will be valid from the date (month) the applications is reviewed and meet all the criteria for a period not exceeding 12 months, ending at the end of each financial year in June, without guarantee of renewal. A household who become indigent outside of the registration periods can apply during the year and will receive assistance and support accordingly and only for the remaining period of the financial year. The onus remains on the applicant to re-apply for assistance each year, failing which will render the assistance invalid.
11.6. The Chief Financial Officer will be responsible to compile and include and administer the database for households registered in terms of this policy.

11.7. Registration will take place on dates and at times and places determined by the Council, but shall generally be undertaken during February and March each year. The Municipal

Manager or his/her delegate will provide assistance to persons who cannot read or write, at such times and places as specified in the notices published to indicate that the registration programme is to take place.

11.8. If any 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.

11.9. **Process**:

11.9.1 **Validity period**

Validity period of assistance will be as indicated in 11.5.

11.9.2 **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.

11.9.3 **Publication of Register of Indigent Households**

11.6.5.1 Names of indigent beneficiaries must be open for public perusal and comment.

11.6.5.1 Written objections from the public must be referred to the Programme Officer who will be responsible for investigating the validity of the complaint and for referral to the reviewer of the application for appropriate action.

11.9.4 **Arrears and Excess Usage of Allocation**

11.6.4.1 Upon registration as an indigent household, the arrears on the account of the applicant will be kept pending for a period of at least six months after which it may be written off.

11.6.4.2 Interest may be calculated on the arrears.

11.6.4.3 If the applicant exit from the indigent support programme within the six months period, the arrears will be re-introduced in the account and will be subject to the credit control and debt collection policy of the municipality.

11.6.4.4 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.

11.6.4.5 If the level of consumption of the indigent household exceeds the consumption level approved by the municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Such accounts will be subject to the municipality's credit control and debt collection measures.

11.9.5 **Termination of Indigent Support**

Indigent Support will be terminated under the following circumstances:

11.6.5.1 Upon death of account-holder or the head of the household where no accounts are rendered.

11.6.5.2 At the end of the 12 months cycle, except in the case of pensioners and child-headed households. In the event of the municipality not enforcing annual registration the validity period of assistance will be for the duration that the applicant remains indigent.

11.6.5.3 When circumstances in the indigent household have improved in terms of a gross income exceeding in section 10.4.

11.6.5.4 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:

11.6.5.4.1 All arrears will become payable immediately;

11.6.5.4.2 Stringent credit control measures will apply; and

11.6.5.4.3 The applicant will not be eligible to apply for indigent support for a period of 2 years.

11.9.6 **Audit and review**

The municipality may conduct regular audits of the indigent register on a quarterly basis with regard to the information furnished by applicants and possible changes in status, the usage of allocations and debt collection measures applied. The frequency of such audits will depend on the institutional capacity of the municipality to do so

11.9.7 **The right to appeal**

An applicant who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal with the Chief Financial Officer of the municipality within 10 (ten) days from the date on which the decision was communicated to the applicant.

12. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

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

12.2 Any person who supplies 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 all debts including arrears that have previously been written off, and the institution of criminal proceedings, as Council may deem fit.

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

13. EXIT MECHANISMS

13.1 Members of households registered as indigent should be prepared to participate in exit programmes coordinated by the municipality in collaboration with other government departments and the private sector.

13.2 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.

13.3 The municipality must promote exit from indigence by:

- Identifying indigents for inclusion in the public works projects;
- Initiating local job creation projects such as cleaning operations, small infrastructure projects, etc.
- Facilitation of opportunities to enter the informal trade market;
- Facilitation of food security projects; and
- Liaison with National and Provincial departments to include indigent persons in their public works programmes.

14. MONITORING AND EVALUATION

14.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:

14.1.1 Number of indigent household's applications received;
14.1.2 Amount of subsidy allocated per service category;
14.1.3 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);
14.1.4 Performance of all areas against targets set in the municipality's performance management system:

- Number of applications for indigent support dealt with;
- Time taken to process and finalize applications;
- Sites visits undertaken
- Awareness initiatives undertaken
- Exit initiatives.

14.1.5 Changes in the registered status of indigents.

15. VERIFICATION OF THE INDIGENT REGISTER

After the application/registration process, all information must be verified by the Programme Officer or a person approved by the municipality as follows:

15.1 The information on the municipality's Indigent Management System must be checked to determine whether an applicant is already registered within the system as well as to determine dates when these existing applicants should be reviewed.
15.2 The indigent registration data must then be captured in an Indigent Management System as per the application form.
15.3 The Indigent Management System must assign an application to a duly appointed official to perform an on-site verification if necessary. The Programme Officer must then verify and assess the registration application, and may make recommendations for the acceptance of the application, or for further investigation which may include an external scan.
15.4 An external scan of applicants recommended as suitable candidates for indigent support, may be conducted with UIF, SARS, Department of Welfare, or Credit Bureau after the site visitation has been captured. The information gathered through verification in terms of 15.3 and 15.4 must be entered into the Indigent Management System within 72 (seventy two**)** hours after receipt thereof for finalisation of the application.

15.5 Once the verification has been completed the Indigent Management System must generate a recommendation based on the information captured in the database. Those

applications that qualify for indigent support in accordance with the system are then to be referred to the reviewer of the application.

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

16. COMMUNICATION

The municipality will 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. Regular information dissemination and awareness campaigns will be undertaken to eliminate unrealistic expectations both in terms of quality for subsidy as well as service delivery in general and methods of communication may include, but will not be limited to:

- through ward committees;
- community based organisations; and
- municipal accounts by means of imbizo's.

17. CONTACT OF THE OFFICE RESPONSIBLE FOR THE INDIGENT POLICY

Tokologo Local Municipality
The Office of the CFO
Private Bag X46
Boshof
8340
Tel: 053 541 0014

18. ADDITIONAL INFORMATION

18.1 Recommendations and indigent committee

Tokologo Local Municipality resolves not to have an Indigents Committee in order to speed up processing of applications. All applications that are deemed to have met all the requirements as per qualification criteria will be considered as successful and will receive the subsidy.

18.2 Extent of the Indigent assistance and support.

The extent of the monthly indigent support granted to indigent households will be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year. Within the above framework, the following assistance and support will be granted:

18.2.1 Water

Each registered indigent household shall receive water fully subsidised to a maximum of 6 kl per month; provided that where the consumption exceeds 6 kl per month the municipality shall be entitled to restrict water supply to the property

18.2.2 Electricity

18.2.2.1 Each registered indigent household shall receive electricity fully subsidised to a maximum of 50 kWh per month or an amount to be determined by the Council on an annual basis.

18.2.2.2 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 municipality will pay over an amount to Eskom equal to 50 kWh of electricity per month based on the consumers registered with Tokologo Municipality as indigents and not based on any indigents records submitted by Eskom

18.2.3 **Refuse removal**

Each registered indigent household shall be subsidised according to section 10.4 for refuse removal as determined by Council in the annual budget from time to time. The subsidy shall form part of the tariff policy applicable for the financial year.

18.2.4 **Sanitation**

Each registered indigent household shall be fully subsidised according to section 10.4 for sanitation as provided for by Council in the annual budget from time to time. The subsidy shall form part of the tariff policy applicable for the financial year.

18.2.5 **Property rates**

Each registered indigent household shall be subsidised for the payment of property rates as provided for by the Council in the annual budget from time to time and subject to the provisions of the Municipal Property Rates Act. 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.

18.2.6 **Rental (Dwellings and Sites)**

Indigent residents occupying municipal properties or dwellings are responsible for the full rental amount. Subsidies apply exclusively to service charges and free basic units, as outlined in sections 18.2.1 and 18.2.2.

18.2.7 **Basic Energy**

Indigent households in informal settlements where limited or no electricity is available, may be provided with alternative energy sources including, but not limited to: paraffin, fire gel, liquefied petroleum gas, etc., provided that procurement of service providers or services shall be subject to the Supply Chain Management regulations of the municipality

18.2.8 **Short-term assistance**

An indigent person in incidental distress may be assisted for a shorter period not exceeding six months. Incidental distress will mean a person that is:
 Temporarily unemployed.
 Persons who are hospitalised.
Such persons qualify for assistance if they are not in receipt of any assistance from any other source.
Indigent people falling within this category will be re-assessed on a three monthly basis.

18.3 **Indigent households in bodies corporate and retirement centres**

Indigent consumers living in bodies corporate or retirement centres shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:

18.3.1 The onus will be on the Board of Trustees/Managing Agent/Chairperson of a Body Corporate (hereinafter referred to as the representative of the Body Corporate or Retirement Centre) to apply to the municipality, for indigent status to be granted in respect water consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification.

18.3.2 The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect property rates and related charges.

18.3.3 The representative of the Body Corporate or Retirement Centre, will submit applications to the Chief Financial Officer which applications must be accompanied by a certified copy of the Sectional Title Plan of the Body Corporate or Retirement Centre, which indicates the participation quota for each unit, as registered in the Deeds Office.

18.3.4 The Programme Officer must verify all applications and after consideration he or she must notify:

18.3.4.1 The representative or the Body Corporate or Retirement Centre whether an application was successful or not, with regard to the water consumption; and

18.3.4.2 The unit owner whether an application was successful or not, with regard to the property rates and other related charges.

18.3.5 The Chief Financial Officer will credit the monthly municipal account :-

18.3.5.1 Water account of a Body Corporate or Retirement Centre with water and sewerage charges, the amount of which will be calculated by dividing the total number of kilolitres of water consumed by the Body Corporate by the number of units in the complex, but up to a maximum of 200 litre's of water per day for each unit that qualifies for assistance.

18.3.5.2 General rates and refuse charges account of the unit owner with the full amount charged.

18.3.6 The representative of the Body corporate or Retirement Centre in respect of which monthly water credits are allowed under indigent support, must ensure that such credits are off-set against the monthly levies of the relevant individual

units; such representative also being required, once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer: that the monthly levies of poor households which qualify for assistance, have been adjusted by the amounts credited to the account of the Body Corporate or Retirement Centre.

18.4 Tariff policy

18.4.1 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.

18.4.2 A tariff policy reflect, amongst others, at least the following principles, namely;

18.4.2.1 The amount individual users pay for their services should generally be in proportion to their use of that service;

18.4.2.2 Poor households must have access to at least basic services through-

18.4.2.2.1 Tariffs that cover only operating and maintenance costs; basic levels of services; or

18.4.2.2.2 Any other direct or indirect method of subsidisation of tariffs for poor households.

18.4.3 The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

18.5 Sources of funding

18.5.1 The amount of subsidisation will be limited to the amount of the equitable share received on an annual basis. The amount may be varied on a yearly basis according to the new allocation for a particular financial year.

18.5.2 The municipality resolves to fully subsidise all registered indigents for property rates, site rentals, refuse collection, sanitation, 6kl water and 50 kwh of electricity (or alternative energy) per month or an amount to be determined annually by the Council.

18.5.3 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 18.5.2 shall apply.

18.6 Method of transfer and the value of the subsidy

18.6.1 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.

18.6.2 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.

18.7 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:

- Database management
- Demand and revenue management
- Policy and by-law implementation

19. LIST OF STAKEHOLDERS

a) Councillors
b) Directorates
c) Community Members
d) Business Community
e) Provincial Treasury
f) National Treasury
g) CoGTA
h) SALGA
i) ESKOM
j) NERSA
k) DWS
l) DoE

20. POLICY APPROVAL BY COUNCIL

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

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

The policy was adopted on 29 May 2026, Council resolution OC-430/2025/2026 for the period 1 July 2026 to 30 June 2027.