



# **INDIGENTSUPPORT POLICY 2026/2027**

For implementation as from 1 July 2026

<b>POLICY NAME</b>	<b>INDIGENT POLICY</b>
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Signature of Speaker	
Signature of MM	

## **PREAMBLE**

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control and debt collection policy.

And whereas section 97 of the Municipal Systems Act prescribes that such policy must provide for “provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents”.

Now therefore the Municipal Council of Cederberg Municipality adopts the Indigent Policy as set out in this document: -

## **LEGAL FRAMEWORKS AND POLICIES**

Section 156 of the Constitution, Act 108 of 1996, states that a municipality has executive authority in respect of, and has the right to administer –

- (a) The Local Government matters listed in Part B of Schedule 4 and Part B of Schedule 5 which include that everybody has the right to basic services. These services include water, electricity, sanitation and refuse removal. It is the duty of a Municipality to provide these services.

To achieve this objective, Cederberg Municipality annually receives Equitable Share from Government whereas an allocation of this is to assist qualifying households with indigent subsidies as part of poverty alleviation.

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## 1. DEFINITIONS

In this Policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context, indicates otherwise.

**“Account”** means a notification by means of a statement of account to a ratepayer or customer who is liable for payment of any amount to the Municipality and any authorised service provider in respect of the following:

- (a) electricity that is consumed by a consumer based on a meter reading or an estimated consumption and availability and basic fees and any service fee;
- (b) water that is consumed by a consumer based on a meter reading or an estimated consumption or water availability fees and basic fees;
- (c) refuse removal and disposal;
- (d) sanitation / sewerage services and sanitation / sewerage availability fees and basic fees;
- (e) rates;
- (f) interest;
- (g) disconnection and reconnection fees;
- (h) collection charges, miscellaneous;
- (i) sundry fees;
- (j) default administration charges;
- (k) housing, rentals and instalments

**“Accounting Officer”** means the person appointed by the Council as the Accounting Officer of the Municipality in terms of section 82 of the Local Government: Municipal Structures Act (Act No. 117 of 1998) and being the head of the administration and accounting officer in terms of section 60 of the Local Government: Municipal Systems Act 200 (Act No 32 of 2000). It will also include any person to whom the Accounting Officer has delegated a power, function or duty but only in respect of that delegated power, function or duty;

**“Basic Services”** means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would

endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.

**“(CFO) Chief Financial Officer”** means the official of the Municipality appointed by Council to administer its finances regardless of the designation or title attached to the post. He/she is responsible for the collection of moneys owed to the Municipality and/or any other staff member to whom he/she has delegated specific duties and responsibilities in terms of this Policy;

**“Child-headed Household”** means a household where all the occupants of a residential property are younger than 18 years old and the household is headed by a child as defined in section 28(3) of the Constitution. Therefore –

- (a) The parents of the household have died;
- (b) A minor has assumed the role of care giver in respect of another minor in the household;
- (c) Such minors reside permanently on the property; and
- (d) The situation pertaining to the household has been verified by a social worker.

**“Credit Control and Debt Collection Policy”** means the council approved policy dealing with these. This indigent policy is subject to that policy in all aspects and must be read in unison.

**“Household Income”** is the gross sum of all monthly income from the registered owner and spouse, or life partner, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income, excluding the capital proportion of the investment.

**“Indigent Household”** means a family unit comprising of the head of the family, being a natural person, and may include blood related or adopted dependents who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter, regardless whether the person rents or owns the property.

**“Indigent Subsidy”** means a subsidy to indigent households to ensure the receiving of basic services of which the funding is restricted to the Equitable Share receive from National Government.

**“Life Partner”** refers to two individuals who are in a committed, long-term relationship, living together, and assuming mutual responsibility for support, even though they are not legally married; this can include both same-sex and opposite-sex couples, and is often defined by the existence of a cohabitation agreement outlining their rights and obligations within the partnership, but not required.

**“Occupier”** means any person who occupies any premises or part thereof, without any regard to the title under which he or she so occupies.

**“Owner”** means –

- (a) the person in whom the legal title to the premises is vested. In a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (b) in any case where the Council is unable to determine the identity of such person a person who is entitled to the benefit of such premises or a building thereon;
- (c) in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof; in relation to –
  - 1) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above provisions, the developer or the body corporate in respect of the common property; or
  - 2) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed, including the lawfully appointed representative of such person.
- (d) any legal person including but not limited to:
  - 1) a company registered in terms of the Companies Act, 2008 (Act 71 of 2008), Trust inter vivos, Trust mortis causa, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984), and a Voluntary Association;
  - 2) any government department;
  - 3) any council or board established in terms of any legislation applicable to the Republic of South Africa: or

- 4) any Embassy or other foreign entity.
- (e) owned by a council and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and
- (f) owned by or under the control or management of a council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the immovable property.

**“Pensioner”** means any person who is not permanently employed and receives regular payments from the state, a company or other employer after attaining the retirement age of 60.

**“Pensioner Household”** means any household where the owners are pensioners with a household income exceeding the gross indigent household income threshold as determined by Council.

**“Pensioners subsidy”** means a subsidy to pensioner households to ensure the receiving of basic services of 50 kWh electricity & 6 kl water which the funding is restricted to the Equitable Share receive from National Government.

**“Seasonal Worker”** means any person who is employed by an employer for an aggregate period of at least one to three months over a 12-month period with the same employer and whose work is interrupted by reason of a seasonal variation in the availability of work.

## **2. OBJECTIVES**

The objectives of the policy are to:

- (a) Determine the criteria for qualification of indigent support;
- (b) Provide a framework to link the municipal budget to indigent support;
- (c) Ensure that the criteria are applied correctly and fairly to all applicants;
- (d) Allow the municipality or its authorised agent to conduct visits to the premises of applicants to verify the actual status of the household;
- (e) Allow the municipality to maintain and publish the register of names and addresses of account holders receiving subsidies;
- (f) Ensure the provision of basic services to the community in a sustainable manner

within the financial and administrative capacity of the Council; and

- (g) Ensure the provision of procedures and guidelines for the subsidisation of basic service charges to indigent households.

### **3. DUTIES AND FUNCTIONS**

Duties and functions of Council

- (a) To sufficiently utilise the available equitable share allocation received from National Government to give access to basic services for indigent households.
- (b) Duties and functions of ward councillors and political parties
  - 1) To provide input regarding indigent applications.

### **4. SCOPE OF THE POLICY**

- (a) This policy applies to the Cederberg Municipality and all persons of this administration.
- (b) This policy as approved by Council, has been passed to give effect to the Municipal By-law in terms of the Local Government: Municipal Systems Act (Act no. 32 of 2000) and such Policy will be binding on the public, officials and Councillors of the Municipality of Cederberg and no interference in the process will be permitted.
- (c) The Policy is applicable until such time as it is reviewed and Council approves the revisions. All acts performed in terms of the above approved policy, and the existing Municipal By-law, will not be invalidated due to the timing differences between approval and promulgation.
- (d) All acts performed as mentioned in the previous paragraph will be ratified with the promulgation of the related Municipal By-law.

### **5. PRINCIPLES**

The principles of the policy:

- (a) The administrative integrity of the Municipality must be maintained at all times. The democratically elected Councillors are responsible for policy-making, while it is the responsibility of the Accounting Officer to ensure the execution of these policies;
- (b) Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy, when applicable, to qualify in terms of this policy; and

- (c) The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

## **6. CATEGORIES AND CRITERIA OF SUBSIDY**

### **(a) Pensioners Household**

To qualify as a Pensioners Household, a household must comply with the following criteria

- 1) Registered owner/s of the property must be pensioners;
- 2) Pensioners must permanently reside on the property;
- 3) Household income must exceed the gross Indigent Household Income threshold;
- 4) Pensioners Household Subsidy will only be granted for one property; and

### **(b) Indigent Household**

To qualify as an Indigent Household, a household must comply with the following criteria

- 1) For an Indigent subsidy the verified gross household monthly income, may not exceed the amount of R 7 000.00; excluding child support, disability and foster care grant.
- 2) The registered indigent must be the full-time occupant of the property concerned.
- 3) Owners may only qualify for one property/household.

### **(c) Child-headed Households:**

The following is required if a child-headed household is to receive an indigent subsidy:

- 1) Must occupy the property as his/ her normal residence;
- 2) Not be older than 18 years of age; and
- 3) Still be scholar or unemployed.

## **7. DURATION OF INDIGENT SUBSIDY**

(a) Pensioners Households:

- 1) The pensioners subsidy will be valid for 12 months from 01 July to 30 June or the remaining months from date of application until 30 June; and
- 2) Applicants must re-apply annually.

(b) Qualifying households:

- 1) The indigent subsidy will be valid for 12 months from 01 July to 30 June or the remaining months from date of application until 30 June; and
- 2) Applicants must re-apply annually.

## **8. DEREGISTRATION OF INDIGENTS**

### All indigents

- (a) An indigent customer must immediately request de-registration by the municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meets the qualification set out in this policy.
- (b) An indigent customer may at any time request de-registration.
- (c) Subsidies that have been received unrightfully may be reversed and claimed from the consumer by the municipality.
- (d) Any false declaration will lead to the permanent disqualification of an applicant from the indigent subsidy scheme, and the municipal council reserves the right to take legal action against such an applicant.
- (e) If an indigent household refuses that a water restrictor be installed at their premises it will lead to automatic deregistration of their subsidy.
- (f) All indigent customers subsidies will automatically be cancelled after the ward councillor with ward committee members confirmed with supporting information that the person doesn't meet the qualifying criteria.

## **9. FUNDING OF INDIGENT SUBSIDY**

The source of funding of the indigent subsidy is that portion of the equitable share contribution to the municipality made from the national government's treasury and as provided for in the budget. In exceptional circumstances, and subject to enough budget

provision, this can be supplemented by other revenues.

## **10. CALCULATION OF SUBSIDY AMOUNT**

The subsidy amount is to be crudely calculated by dividing the portion of the equitable share as budgeted by the estimated number of qualifying households per area and tariff type. These figures are the approximate average subsidy per household.

## **11. SUBSIDISED SERVICES**

Subsidised services are to be sewerage, water, refuse removal, fire services, assessment rates, electricity and any other sundry levies.

## **12. QUANTUM OF SERVICES TO BE SUBSIDISED PER MONTH**

### **(a) Applicable to rebate for pensioner household applications**

- 1) First 6 kl Water; and
- 2) 50 kWh Electricity

### **(b) Applicable to rebate for indigent and child-headed household applications**

- 1) First 6 kl Water + Basic charges;
- 2) 50 kWh Electricity + Basic charges;
- 3) Refuse removal charge + Basic charges;
- 4) Sewerage charge + Basic charges;
- 5) Property rates charge on the valuation in terms of the council approved property rates policy;
- 6) Fire brigade fees + Basic charges; and
- 7) Block drain charges.

## **13. PREPAID ELECTRICITY AND/OR WATER METER**

### **(a) The costs of the conversion to prepaid electricity and/or water meter of indigent households implementation can be met by –**

- 1) The equitable share fund if enough; or
- 2) Cash payment by the household, which can also be a down payment over

a period of 6 months.

- (b) The following process be followed to address the replacement of a tampered meter:
  - 1) An application for a pre-paid meter to be completed by the indigent account holder;
  - 2) The technical department confirms that it is a tampered meter; and
  - 3) It will be added to the account of the Indigent household.
- (c) The following process is followed to address the replacement of a damaged meter:
  - 1) An application for a pre-paid meter to be completed by the indigent accountholder;
  - 2) The technical department confirms that it is a damaged meter; and
  - 3) The cost of the damaged meter is to be funded from equitable share.

#### **14. WATER LEAKAGES**

Where water leakages occur at or on the indigent households, such leakages must be reported by the occupier to be repaired at Council's expense against the equitable share grant.

#### **15. APPLICATION FOR INDIGENT SUBSIDY**

- (a) Indigent households who qualify can apply on a specific council application form, after which screening and on-going auditing may apply.
- (b) The following documentation should accompany the application form:
  - 1) the latest municipal account of the household;
  - 2) proof of the account holder's identity document/s;
  - 3) proof of the household income, e.g. a letter from his/her employer/ salary slip/envelope/ SASSA card/ unemployment insurance fund (UIF) card/affidavit of unemployment;
  - 4) death certificate of the co-owner or owners of the property;
  - 5) a sworn affidavit in cases where the occupants live in the property for more

than one year and has no details of the whereabouts of the owner/s or their relatives;

- 6) marriage certificate; and
  - 7) if owners are deceased, the death certificate as well as letter of consent from heirs.
- (c) Incomplete forms or forms without the required documentation attached thereto will be rejected.
  - (d) The applicant must agree to the conversion to pre-payment electricity meter and flow control water meter.
  - (e) This form will require data on the inhabitants of the household, their occupations, income and property ownership, and business ownership.
  - (f) Council reserves the right to send inspectors to visit indigent households to audit the accuracy of the data in the application form, and to record any changes in circumstances, and make recommendations on the continuation or discontinuation of the subsidy.
  - (g) It is the responsibility of the beneficiary to renew the subsidy annually.
  - (h) Households will be excluded from the scheme if the application was filled in dishonestly.
  - (i) All subsidies dishonestly received will be cancelled and reversed for the full period.
  - (j) Audits suggest improvements in the financial circumstances of the household.
  - (k) Information regarding an account holder maybe verified via the search and tracing system of Council's service provider.

## **16. CONSUMPTION**

- (a) If a consumer's consumption or use of a municipal service is less than the subsidised service, the unused portion may not be accrued by the consumer and will not entitle the consumer to cash or a rebate in respect of the unused portion.
- (b) If a consumer's consumption or use of a municipal service is more than the subsidised service, the customer must pay for such excess consumption at the applicable rate.

## **17. PROVIDING INFORMATION OF INDIGENTS TO THE PUBLIC**

Council will market the indigent subsidy by way of flyers, advertisements in the local newspaper and on Council's website but the onus is on account holders to re-apply for relief timeously, failing which the assistance will cease automatically on 30 June.

## **18. IRRECOVERABLE DEBT**

- (a) Debt will only be written off as irrecoverable in terms of paragraph 17(c) and 17(d) if it has been approved by Council.
- (b) Councillors and ward councillors will be given an opportunity to scrutinize the list of proposed write-offs before it is to be written off.
- (c) Once an indigent application has been registered for the first time, all arrear balances as at year-end 30 June will be written off.
- (d) All debtors who are registered as indigent may have their arrears written off once a year.
- (e) Once an amount has been written off as irrecoverable for the second time (with the first application and then thereafter), the water meter may be put on restricted flow control.

## **19. ENFORCEMENT MECHANISMS**

- (a) All indigent households will have restricted water flow control implemented on application and approval of this policy, or other mechanisms of restriction of services if his/her account becomes overdue and/or if the arrangement for the payment of outstanding amounts is not honoured;
- (b) All effort must be made to limit the re-occurrence or accumulation of indigent debt; and
- (c) Judgment orders or summonses against indigent households will be suspended if the household qualifies for the indigent subsidy.

## **20. THEFT AND FRAUD**

- (a) Any person (natural or juristic), found to be illegally connected or reconnected to municipal services, tampering with meters, reticulation network or any other supply equipment or committing any unauthorised service associated with the supply of municipal services, as well as theft and damage to Council property, will be prosecuted and/or liable for penalties as determined from time to time.

- (b) Council will immediately terminate the supply of services to a customer should such conduct as outlined above be detected.
- (c) The total bill owing, including interest, assessment of unauthorised consumption and disconnection and reconnection fees, and increased deposits as determined by Council if applicable, becomes due and payable before any reconnection can be sanctioned. An acceptable repayment arrangement can also be negotiated to the discretion of the Chief Financial Officer.
- (d) Council will maintain monitoring systems and teams to detect and survey consumers who are undertaking such illegal actions.
- (e) Council may distinguish in its penalties between cases of vandalism and cases of theft.
- (f) Subsequent acts of tampering will lead to penalties and deposits increasing in quantum.
- (g) Council reserves the right to lay charges and to take any other legal action against both vandals and thieves.
- (h) Any person failing to provide information or providing false information to the municipality may face immediate disconnection.

## **21. LEGAL PROCESS**

Legal action for the recovery of outstanding debt will not be taken against indigent households as long as the household is classified by the municipality as indigent.

## **22. STAKEHOLDERS**

The policy stakeholders include but is not limited to:

- (a) The community and property owners of Cederberg Municipality
- (b) The municipal council
- (c) The management and administrators of the policy
- (d) Provincial Government
- (e) National Government