



FREE BASIC SERVICES AND INDIGENT SUPPORT POLICY

P.O. BOX 47
10 CLAUGHTON TERRACE
MOOI RIVER 3300
TEL: 033 263 1221 / FAX: 033 263 1227
E: mm.office@mpofana.gov.za

MPOFANA LOCAL MUNICIPALITY

DATE APPROVED BY COUNCIL	
RESOLUTION NUMBER	
DEPARTMENT	BUDGET AND TREASURY OFFICE
UNIT	REVENUE (CREDIT CONTROL)
DATE REVIEWED	

POLICY VISION AND STATEMENT VISION

- To ensure access to basic services for all indigent persons in terms of the South African Constitution.
- To reflect the true extent of indigence.
- To determine a level of affordability by Council for the Supply of Free Basic Services.
- To prevent the escalation of debt on the accounts of consumers not in the position to pay.
- To determine the Total Value for free basic services in a way that it can be recovered from the available portion of the Equitable Share.
- To regulate the access of consumers to free basic services and to maintain a ledger of such indigents.

STATEMENT

Whereas the true reflection of the extent of indigence is of vital importance, the private household sector of debtors is by far the highest contributor to monthly debt escalation and the consumption of metered services by indigent households must be lowered to improve the affordability of service charges, therefore it is imperative that the policy below is made applicable.

REGISTER OF INDIGENT HOUSEHOLDS APPLICATION

- On application an applicant has to prove ownership and that he/she is the full time occupant of the related premises.
- An approved enlisted applicant remains enlisted until he/she applies to be delisted or be requested to apply to be delisted from the Indigent Register.
- Should an applicant in his/her application present any fraudulent statement he/she will be denied enlistment or, if he/she had already been enlisted, he/she will be immediately be delisted. He/she will also be held responsible for the refund of the benefits received at the ordinary rates for the period when the refund of the benefits received at the ordinary rates for the period when the fraudulent presentation is detected and when it arose.

RE-EVALUATION

- The decision whether an indigent household remain satisfied with the restriction to the supply of free basic services lies solely with the member of the household responsible for the payment of services.
- Regular physical inspections will be carried out at the premises of each of the registered indigents to ensure that the supply installations including the supply limitation applications are intact.

COMMUNICATION

The policy must be communicated with Ward Councilors, Ward Committees and through ward meetings with the inhabitants of the areas as mentioned for indigent support.

SERVICE LEVELS AND TARIFFS FOR REGISTERED INDIGENTS ELECTRICITY

- Free basic electricity of 50kWh (units) per month is available to registered indigents.
- The current limited supply will be set 20 amperes and the prepaid dispensers at each home will be set accordingly.
- The necessary activating number to the value of 50kWh will be obtained from the Municipal Cashiers on a monthly basis.
- The free issue will be limited to 50kWh (units) per month and unclaimed issued cannot be carried forward to a following month.
- Any requests for prepaid electricity in excess of 50kWh must be purchased at the applicable lifeline electricity tariff.
- For conventional consumers a credit of 50kWh electricity will be entered to their monthly consumer services account.
- Upon the discovery and confirmation of any tampering to electricity supply equipment or electricity theft, the registration as indigent will be cancelled.

ASSESSMENT RATES

- The first R15 000 of the property value of residential households is exempted from tax.
- All pensioned, aged or disabled owners of residential households are entitled to apply for a rebate in excess of the first R15 000 of the property value not subject to tax.

- Registered indigents will get 100% rebate on assessment rates.

REFUSE REMOVAL

- The discounted rate for indigents is subjected to the indigent's electricity current limited supply to be restricted to 20 amperes.
- The refuse removal rate in respect of indigents will be fully discounted.
- The discount will be shown in the Council's income statement as "*income foregone*" and recovered from the Equitable Share.

LIMITATIONS

- The above free issues or discounts are based on the expected Equitable Share to be paid to the Council by National Treasury annually. The Annual adjustment to these benefits is subjected to the increase in the Equitable Share.
- The benefits are reserved for consumers who are prepared to limit their electricity current demand to 20 amperes.

COMMENCEMENT

- This policy together with the Municipal Indigent Policy takes effect on 01 July 2024 and must be reviewed annually together with the budget related policies.