



EMFULENI
LOCAL MUNICIPALITY

Vaal River City, the Cradle of Human Rights

POLICY ON ACCESS TO FREE BASIC SERVICES

(2024/ 2025)

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PREAMBLE

WHEREAS section 96 of the Local Government: - Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended requires a municipality to adopt maintain and implement a credit control-, debt collection and customer care policy;

AND WHEREAS section 97 of the said Act prescribes what such policy must provide for,

And in terms of the Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003) sections 62 and 64 require the effective management of the municipality's revenue;

THEREFORE, the Council of Emfuleni Local Municipal adopts the policy as set out in this document.

1. Glossary:

Indigent: a person's, due to several factors, who are unable to make monetary contribution towards basic services due to poverty and meet this policy threshold to qualify for the indigent subsidy

-Basic Services: - refers to access to electricity, clean water, basic sanitation, waste removal and any other services deemed as basic services by the municipality.

Indigent household: any household of which the members are South African citizens/ permanent residents, who due to a number of socio-economic factors are unable to make monetary contributions towards basic services.

Residential Property: A type of leased or privately owned property, containing either a single family or multifamily structure, that is available for occupation for non-business purposes.

- **Subsidy - A** benefit given by the government to households or individuals to remove some type of burden and is considered to be in the interest of the public.
- **Tenant/ lodger:** - registered occupant of a property owned by the Municipality or private property, or an individual/ family sharing the same property with the legal owner and who may or may not be related to the owner.
- **Minor:** A person who has not attained the legal age of majority (18 years) and, thus, has restricted or no legal capacity to make a legal declaration or sign a contract
- A **child-headed family** or **child-headed household** is a family in which a minor (child or adolescent) has become the head of the household
- **Municipality** – refers thereto Emfuleni Local Municipality
- **Indigent data base** – list and data about households that have applied and have been approved or rejected.

A. INTRODUCTION

1. In terms of Section 152 (1) (b) and 153 (b) of the constitution, the Municipal Council is expected to provide basic services to its communities as its primary responsibility. To promote social and economic development to its community. Further to ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services
2. The Council accepts that they are responsible for the rendering of services in terms of schedules 4 and 5 of the Constitution as well as other services which may be delegated by National and Provincial Government. The Council will endeavor to render a basic level of services necessary to ensure an acceptable and reasonable quality of life and which takes into account health and environmental considerations. No residents should receive any service below the minimum level of services.
3. In terms of section 74 of the Local Government Municipal Systems Act 2000, as amended, a Municipal Council must adopt and implement a Tariff Policy. In terms of section 74(i) of the Act, in adopting a Tariff Policy, the Council should at least take into consideration the extent of subsidization of tariffs for poor household consumers. Arising from the above, Council needs to approve an indigent Support Policy. The policy must provide procedures and guidelines for the subsidization of basic services and tariff charges to its indigent household consumers.
4. Services are generally regarded as 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.
5. The key purpose of an indigent subsidy policy is to ensure that household consumers with no or lower income are not denied a reasonable service and that the municipality is not financially burdened with non-payment of services.
6. Provide that grants are received and funds are available, the indigent subsidy policy should remain intact.
7. To achieve the purpose, it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs.

8. 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 Emfuleni Municipality.
9. A consumer qualifying for indigent support will receive the following subsidies determined annually during the preparation of the municipality's budget-

SERVICE	INDIGENT SUBSIDY
Water	Maximum of 6 Kiloliters
Electricity (pre-paid and conventional)	Maximum of 50 kWh with 60-amp connection
Sewer	100%
Refuse	100%
Assessment Rates	100%
Market related Rental – Council owned	60% of rental

B. PURPOSE OF THE POLICY

The purpose of the Indigent Support Policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- To provide procedures and guidelines for the subsidization of services charges to be received from Central Government, according to prescribed policy guidelines.
- The Council also recognizes that some of the residents cannot afford the cost of full provision and for this reason the Council will endeavor to ensure affordability through: -
- Setting tariffs in terms of the Council's Tariff Policy, which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

C. RESPONSIBILITY AND ACCOUNTABILITY

The municipality is expected to develop an indigent support policy. The policy will guide how the municipality response to those that cannot be able to afford to pay basic services.

D. INDIGENT SUPPORT POLICY PRINCIPLES

The following should be the guiding principles in implementing the Indigent Support Policy: -

- The Indigent Support Policy is in accordance with the Local Government Municipal System Act 2000, as amended and other related legislation.
- Relief will be provided by the Council to registered and approved residential owners, and or tenants of which the Market Value does not exceed R350 000 or as from time to time determine by the council in terms of section 10.2 (a) of the Municipality Property Rates Policy.
- The Council must, wherever possible, ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienating any group of household consumers. There should be no differentiation whatsoever of any residential consumers, except in the level of service rendered.
- The subsidy for minimum service levels should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement.
- Differentiation must be made between those household consumers who cannot afford to pay for basic services and those who just do not want to pay for these services.
- It should be based on a predetermined period or financial year,
- The Indigent Support Policy will prevail as long as funds are available.
- The Council may review and amend the qualification criteria_for indigent support
- The collective or joint gross Income of all the occupants on a residential stand

will be taken into account. The total gross household income must be correctly reflected on the application form requesting indigent support.

- If a person is found to be indigent, it should be registered on a database linked to the debtor's system to ensure cost effective and efficient management of indigents.
- The residents may also formally apply on the prescribed application form for the relief and will qualify for the indigent support according to the prescribed criteria/principles laid down by the Council. After the application form has been completed, an effective and efficient evaluation system should be used in order to obtain the outcome within a reasonable time determined by the Council.
- The onus is on the recipient to immediately inform the Council of any change in his/her status or personal household circumstances.
- Disciplinary measures decided by the Council, should be imposed on people who misuse the system and provide incorrect information.

E. CRITERIA TO QUALIFY FOR INDIGENT SUPPORT

1. Are as follows:

- The residential premises must not exceed the market value of R300,000.
- The gross income of the applicant must not exceed two state pensioners monthly income plus R2 000.
- In a situation where the applicant lives in a household or property above the market value of R300 000 but is unemployed or earning below the threshold, a physical verification or audit must be conducted.
- Property owners or tenants who stay in a residential property whose value is below R300 000 and, upon credit check by the municipality, their household income is above the Indigent policy threshold will not qualify for the Indigent subsidy.
- If a residential property value is below R300 000, and the household meets all other requirements in Section E, it will automatically qualify for indigent subsidy.

2. These grants may also be allocated to any other person who does not qualify as an indigent in terms of Section E(1) of this policy and who is the owner or account holder or any other occupier who is the tenant or account holder of the property concerned and who can submit proof or declare under oath that all occupants over 18 years of age, or in the case of child-headed household consumers, had no income or a verified total gross monthly income of less than the amount indicated in terms of the definitions below.
3. Only one application per person (a household consumer) in respect of one property shall qualify for the Indigent Grant as set out in this policy.
4. The subsidy will apply to the owner or consumer, who must be permanently occupying the property concerned. I.e., it must be his or her primary residence.
5. In respect of household consumers owning more than one property, they can only apply for indigent subsidy for only one property, which must be the applicant's primary residence.
6. Where the water consumption of an indigent consumer exceeds the limit, as reflected in item A.9, the consumer will be liable to pay the excess. In the event of failure, the council will charge the consumer for exceeding their consumption.
7. A property that is registered and owned by a financial institution-banks, companies, government departments, N.G.O's and N.P.O's, F.B.O's, schools, or churches will not be considered for indigent subsidy.
8. A property that is under bond payment to a bank, or a financial institution will not be considered as the property is legally owned by the institution and can be repossessed.
9. A residential property built on a double stand and meeting indigent threshold requirements will qualify for indigent subsidy, and the municipality accounts for two, will be regarded as one for indigent subsidy purposes.
10. A residential property registered under a trust account as a way of preserving the property for heritage will qualify for indigent subsidy if it meets the

subsidy requirement and there is proof that the property is solely for residential habitation.

F. APPLICATION AND AUDIT FORM

1. An Application form for Indigent Household Subsidy as determine in section E (2) of this policy must be completed by all consumers who may qualify in terms section E (2) of this policy.
2. The owner/account holder or any other occupier who is the tenant/account holder must apply in person and must present the following documents with the application:
 - The latest Municipal account in his/her possession.
 - The account holder and spouses' certified identity documents.
 - Provision for child headed household consumers and properties inherited must be specified.
 - An application form indicating the names and identity numbers of all occupants/residents over the age of 18 years, who reside at the property.
 - Documentary proof of Income and an affidavit by the applicant of financial status of the applicant and residents at the property
 - Statement of monthly income and expenditure.
 - Bank statement/s for the past three months of applicant and spouse or breadwinner where applicable or an affidavit declaration if the applicant does not have a bank account.
3. Application forms must be read in conjunction with the policy proposed and form part of Council's indigent policy. All applications must be verified by a duly authorized official or municipal agent appointed by Council.
4. The relevant Ward Councillor must assist during the evaluation and verification process together with the relevant officials and local community leaders or ward committee members appointed by Council.
5. The list of indigent household consumers can be made available at any time to

the information Trust Corporation (ITC) for the purpose of exchanging credit information. The municipality can conduct Credit Record Check (ITC) of applicants as part of indigent verification.

6. if an application is approved, a subsidy will only be granted for two municipal financial years or the subsequent twenty -four (24) months or any period as approved by Council. The onus will rest on the approved account holders to apply for relief on an annual basis or any other period as approved by Council.
7. For the purposes of transparency, on an annual basis, the following key information of the recipient's support will be made available to the public for scrutiny: -
 - Names of household consumers receiving relief for the prescribed period:
 - Stand number where services are rendered to the recipients; and
 - Number of dependents residing on the property.
8. Any resident may query the qualification of a recipient in writing, within 30 days from the date of publication to the Council.

G. DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER

- The Chief Financial Officer or any other person duly delegated will be responsible to compile and administer the database for household consumers registered in terms of this policy.
- Council reserves the right to send officials or its agents to premises/household consumers receiving relief from time to time for the purpose of conducting an onsite audit of the details supplied.

H. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

- 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.

- 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 subsidies received, reversal of any debt written off and the institution of criminal proceedings, as Council may deem fit.
- When an indigent consumer fails to comply with the conditions stipulated to receive the subsidy, they will be dealt with in terms of the Council's uniform credit control procedures.
- The onus also rests on indigent support recipients to immediately notify Council of any changes in their indigence status.
- Applicants who fail to respond to request to submit any necessary supporting document/s for their application will not be processed and thus will be regarded as not indigent until the verification process is finalized.

I. SERVICES TO BE SUBSIDISED

1 Electricity

- All indigents which market value does not exceed R300,000.00 and grants approved in terms of section E (2) of this policy will receive 50 Kwh units of electricity per month free of charge. Unused free electricity units will not be carried over to the next month.
- Any meter tampering will result in the subsidization to be withdrawn.
- Where electricity is supplied by Eskom, the Council will enter into a service level agreement with Eskom to pay over the subsidy for indigents qualifying in terms of this policy.

2. Water

- All Indigents whereby their property market value does not exceed R300,000.00 and grants approved in terms of section E (2) of this policy will receive a maximum of 6 kiloliters of water per month fully subsidized.
- In the case of un-metered services, the subsidy will be equal to the flat rate tariff applicable for that financial year.
- A subsidy, determined at the beginning of every financial year and not more

than the applicable tariff for that year, will be applied for the duration of that particular financial year.

3. Refuse Removal

- All indigents which market value does not exceed R300,000.00 and grants approved in terms of section E (2) of this policy shall be subsidized for refuse removal as determined and provided for by the Council in the annual budget from time to time.
- A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year.

3. Sewerage

- All indigents which market value does not exceed R300,000.00 and grants approved in terms of section E (2) of this policy shall be subsidized for sewerage services as determined and provided for by the Council in the annual budget from time to time.
- A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year.

4. Property Rates

- In terms of Section 10 (2)(a) of the Municipal Property Rates policy read together with Section 17 (h) of the Municipal Property Rates Act indigents shall be subsidized for property rates as determined and provided for by the Council in the annual budget from time to time.
- A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year.

5. Market Related Rental

- All registered indigents shall be subsidized to a maximum of sixty percent (60%) of the payment of site rental.
- All registered indigents shall be subsidized for the payment of site rental as determined and provided for by the council in the annual budget from time to time.
- A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular year.

J. TARIFF POLICY

1. The Local Government Municipal Systems Act 2000, as amended, 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.
2. A tariff policy must reflect, amongst others, at least the following principles, namely that: -
 - The amount individual users pay for their services should generally be in proportion to their use of that service:
 - Poor household consumers must have access to basic services through:
 - Tariffs that cover only operating and maintenance costs.
 - Special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or
 - Any other direct or indirect method of subsidization of tariffs for poor household consumers and the extent of subsidization of tariffs for poor households.

K SOURCES OF FUNDING

The equitable share as gazette through DORA is informed by the indigent data base of the municipality. This amount may be varied on an annual basis according to the new allocation for a particular financial year.

If approved as part of the budget and tariff policy the amount of subsidization may be increased through cross subsidization, i.e. step tariff system.

L METHOD OF TRANSFER AND THE VALUE OF THE SUBSIDY

- No amount shall be paid to any person or body but shall be transferred as a credit towards the approved indigent account holder's municipal services account in respect of the property concerned.
- Calculations shall be based on the monthly current accounts only and in accordance with the approved budget and tariff policy.
- Where the supply is metered, a 100% subsidy of water with a concession of up to 6kl will apply. If the consumption exceeds 6kl the consumer will be charged for actual consumption exceeding 6 KL at normal tariffs.
- Where the supply is not metered 100% subsidy on the flat rate charged
- The provision of point 3 above are subject to the proviso that the consumer agrees in writing that the supply of the applicable premises may be restricted by a flow control washer.
- The municipality may install a prepaid electricity meter where a consumer is provided with free basic electricity by the municipality. Such a consumer must agree to the installation of a prepaid electricity meter where one has not already been installed.

M. ARREAR ACCOUNTS

- The approved account holder shall remain responsible for any outstanding amount at the date of application as well as for future charges above the threshold.
- The arrears on the accounts of household consumers, approved as indigent, will be submitted to Council to be written off after 5 years (including any interest charged). Arrear accounts will be subjected for evaluation by a committee appointed by the accounting officer before submission to council for write off. This submission will only be valid as a once-off exercise after approval and will not be applicable for future consumption.
- Indigents who sell their property before write-off period, will be obliged to pay the amount in the abeyance.

N. RESTORING SERVICES TO QUALIFIED HOUSEHOLD CONSUMERS

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 charge or reconnection will be payable.

O. SERVICES IN EXTENT TO AVAILABLE SUBSIDY

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.

P. CREDIT CONTROL POLICY TO BE APPLIED FOR INDIGENT HOUSEHOLD CONSUMERS

1. *The credit control policy aims to achieve the following: -*

- To distinguish between those who can and cannot genuinely pay for services.
- To get those who cannot pay to register with the municipality so that they could

be given subsidies.

- To enable the municipality to determine and identify defaulters to ensure appropriate credit control procedures; and
- To establish an indigent directory of ail persons who complies with the policy.

2. Obligation to Pay

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

2.2 It is however important to note that the subsidy received, in the majority of cases, does not cover the full account. In such event the consumer is still responsible for the balance between the full account and the subsidy received.

2.3 Where a consumer does no qualify as an indigent debtor in terms of additional consumption, credit procedures must still be applied, in accordance with the approved credit control policy, for these outstanding amounts.

Q. IMPLEMENTATION AND REVIEW OF THIS POLICY

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

2. In terms of section 17(3) (e) of the MFMA this policy must be reviewed on annual basis and any proposed amendments tabled to Council for approval as part of the budget process.

3. In order to ensure the effective implementation of the policy, the following should form part of the roll out of the programme: -

- Publishing of the registration process, in local newspapers, municipal account, flyers and posters.
- Communication through local and regional radio stations.
- Informing non-governmental organisation's, community-based organisations,

religious organisation's about criteria and programme.

- Role of ward councillors and committees in the registration and verification process.
- Chief Financial Officer to appoint a project manager and team to drive the programme.