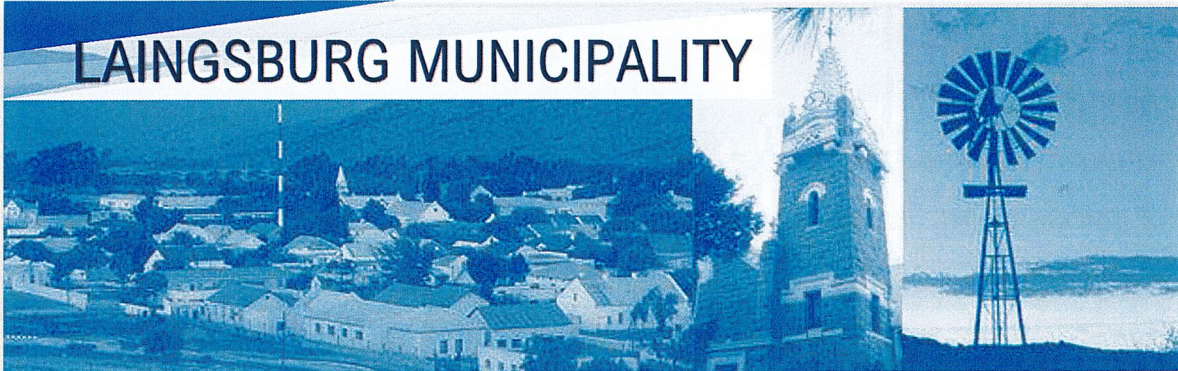


# LAINGSBURG MUNICIPALITY



## INDIGENT MANAGEMENT POLICY

### DEERNIS BELEID

### 2025/2026

---

Financial Policy No.: 15  
Revision: Version 1  
Last Review: May 2025 (MTREF)  
Effective From: 1 July 2025  
<https://www.laingsburg.gov.za>

---

## Contents

1. DEFINITIONS .....	3
2. LEGISLATIVE FRAMEWORK.....	5
3. PURPOSE OF THE INDIGENT POLICY .....	6
4. OBJECTIVES.....	6
5. SUBSIDY FOR INDIGENT HOUSEHOLDS .....	7
6. PRINCIPLES OF THE POLICY .....	8
7. CATEGORIES AND CRITERIA OF SUBSIDY .....	8
8. APPLICATION FOR A SUBSIDY .....	9
9. TARGETING .....	9
10. SWORN STATEMENT.....	10
11. CONVERSION OF METERS .....	10
12. FALSE OR MISLEADING INFORMATION.....	10
13. VERIFICATION OF APPLICATIONS .....	10
14. DURATION / TERMINATION OF INDIGENT SUPPORT .....	11
15. ACCOUNTS IN ARREAR.....	12
16. WRITE – OFFs.....	12
17. REGISTER.....	12
18. EXIT STRATEGY.....	12
19. STAKEHOLDERS .....	13
20. MONITORING AND REPORTING .....	13
21. OFFICE RESPONSIBLE FOR INDIGENT POLICY.....	14
22. POLICY REVIEW.....	14



# 1. DEFINITIONS

For the purposes of this policy, and unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Act shall bear the same meaning, and further means:

**“Basic service”** - 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.

**“Chief Financial Officer”** – an officer of the Municipality appointed as the Head of the Finance Department and includes any person –

- a) acting in such position; and
- b) to whom the Chief Financial Officer has delegated a power, function, or duty in respect of such a delegated power, function, or duty.

**“Council”** or **“Municipal Council”** - A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of Laingsburg Municipality.

**“Customer”** - Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).

**“Defaulter”** - A person who owes money to the municipality, in respect of a municipal account after which the due date for payment has expired.

**“Equitable share”** - the part of national income paid over to the municipality annually that must be used mainly for subsidising basic services.

**“Household”** - People who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter.

**“Income”** - Income is the gross sum of all monthly income from all sources, including wages, salaries, profits, dividends, pensions, rentals, interest received, grants or investment income and other forms of earnings received by every person residing on the property.

**“Indigent household”** - 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 service subsidy, provided that foster and child support grants are not included when calculating such household income.

**“Municipal billing”** - the proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to - **“ account”** or **“monthly account”** rendered monthly and shows the levies for assessment rates and/or building clause, availability charge, sewerage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as the monthly instalment for annual services paid monthly.

**“Municipality”** - the category B municipality instituted under the Constitution and the Local Government: Municipal Structures Act for the towns of Laingsburg and the neighbouring rural areas.

**“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.

**“The Act”** - The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.

## 2. LEGISLATIVE FRAMEWORK

Section 97 of the MSA states:

97. (l) A credit control and debt collection policy must provide for-
- (a) credit control procedures and mechanisms
  - (b) debt collection procedures and mechanisms
  - (c) provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents:

Section 104 (l)(L) of the MSA states further:

- 104.(1) The minister may for the purposes of this Chapter make regulations or issue guidelines in accordance with section 120 to provide for or regulate the following matters regarding the development and implementation of an Indigent policy -

This policy is developed and implemented in accordance with the South African Indigent Management Policy Framework and is guided by the following legislation:

- The Constitution of the RSA, 1996.
- Division of Revenue Act (DoRA): Allocates the Equitable Share, a key funding source for free basic services.
- Local Government Municipal Systems Amendment Act, 2003, Act No 44 of 2003.
- The Local Government Municipal Finance Management Act 2003, Act no 56 of 2003.
- The Promotion of Administrative Justice Act, 2000, Act no 3 of 2000.
- Protection of Personal Information Act no 4 of 2013.
- The Promotion of Access to Information Act, 2000, Act no 2 of 2000; and
- The Local Government Municipal Property Rates Act, 2004, Act no 6 of 2004.



### **3. PURPOSE OF THE INDIGENT POLICY**

The purpose of the indigent policy is to:

- a) Provide basic services to the needy or indigent community in a sustainable manner, within the financial and administrative capacity of the municipality.
- b) Provide procedures and guidelines for the subsidisation of basic service charges to indigent households using the equitable share allocation, received from National Government and other budgetary provisions.
- c) Ensure affordability by subsidising tariffs calculated in terms of the municipality's tariff policy and by setting appropriate service levels in accordance with the municipality's service delivery plan; and
- d) The Council also recognises that many residents cannot afford the cost of full provision of services and for this reason the Council will endeavour to ensure affordability through:
  - i.) Setting tariffs in terms of the Council's Tariff Policy, which will balance the economic viability of continued service delivery, and
  - ii.) Determining appropriate service levels

In summary, the purpose of an Indigent Policy is to ensure that households with no or low income, are not denied a reasonable service and that the Municipality is not financially burdened with the non-payment of services.

### **4. OBJECTIVES**

The objectives of this policy can be summarised as follow:

- Subsidise indigent household's municipal accounts by means of an equitable share allocation received by the Council from the Central Government to enable access to basic municipal services for all residents which otherwise will be unaffordable.
- Determine the criteria for qualification of indigent and poor households.
- Ensure that the criteria are applied correctly and fairly to all applicants
- Allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household.
- Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

## **5. SUBSIDY FOR INDIGENT HOUSEHOLDS**

- 5.1 A basic level of services will be provided to qualifying households with a total gross income which is below a determined amount, and according to further specified criteria, as determined by the Municipality from time to time.
- 5.2 Indigence subsidies will be funded from the equitable share contribution made by National Treasury and as provided for in the municipal budget. The subsidy can only be credited to the qualifying customers' accounts until the amount received by the Municipality from National Treasury and provided for in the municipal budget for this purpose, has been exhausted, whereupon no further credits will be made until further national funds for this purpose are received or additional funds has been provided for in the municipal budget.
- 5.3 Subsidised services are, refuse removal, sewerage, and consumption service charges.
- 5.4 Customers who qualify for an indigent subsidy must convert to pre-payment electricity meter, except for areas where electricity is not supplied by Laingsburg Municipality, and a pre-payment water meter.
- 5.5 As only owner accounts will be opened, the tenant must have proof from the owner that he/she may occupy the premises, as well as proof that the tenant qualifies as an indigent household.
- 5.6 If a customer's consumption or use of the municipal service is less than the subsidised amount of the service, the subsidy will be limited to the lesser amount. The unused portion, if any, may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- 5.7 If a customer's consumption or use of a municipal service is more than the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rates.
- 5.8 All customers who qualify for an indigent subsidy may be placed on restricted service levels in order to limit further escalation of debt.
- 5.9 Where applicable, indigent customers may be exonerated from a portion of their arrear debt.
- 5.10 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 criteria.
- 5.11 An indigent customer may, at any time, request de-registration.
- 5.12 The applicant may not be the registered owner of more than one property.



5.13 No councillor/s or officials will qualify for an indigent subsidy.

5.14 All indigent households will not be charged interest on arrear amounts, accrued before registration as an indigent.

## **6. PRINCIPLES OF THE POLICY**

- The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for approval of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy.
- All applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy.
- Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and managed these documents must be able to explain the contents thereof in the two languages of the Western Cape; and
- 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.

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

A category of needy households is recognised for purposes of receiving an indigent subsidy:

- The household income may not exceed the total of 2x All Pay Pension.
- The property may only be used for residential purposes.
- Must be a permanent resident in the Laingsburg municipal jurisdiction.
- Must be a South African citizen; and
- The applicant may not be the registered owner of more than one property.

A successful applicant's house will be fitted with a Smart prepaid electricity meter and Smart pre-paid water meter where possible.

### **Subsidy: (R0 – R 2x state pension)**

- (i) 100% of the basic levy for electricity for one service point per month, with no more than a 30 AMP circuit breaker.
- (ii) 100% of the basic levy for water for one service point per month.
- (iii) 100% of the basic levy for sewage for one service point per month.
- (iv) 100% of the basic levy for refuse removal for one service point per month.
- (v) 50 kWh of electricity; and
- (vi) 6 kℓ of water.



- (vii) Property Rates – Not specific to indigent households only – See Property Rates Policy for rebates, if any.

## **8. APPLICATION FOR A SUBSIDY**

The account holder must apply in person at the indigent office of the municipality on the prescribed application form.

The following documentation must accompany the application:

- Copy of ID (of all residents residing on the property older than 18 years) – Person must be a South African citizen.
- Copy of Municipal Account.
- Proof of Income (of all residents residing on the property older than 18 years) For SASSA recipients, copy of bank statement (not older than 3 months) or letter from SASSA confirming amount of grant.
- Affidavit in the case of unemployment.
- The applicant may not be the registered owner of more than one property; and
- A property may only be used for residential purposes.

### Additional requirements for Tenants:

- Death Certificate of deceased owner, ID of deceased and sworn affidavit of intent to take responsibility for the resident.
- Consent letter from owner and copy of ID of owner.

## **9. TARGETING**

The effective targeting of indigent households and the implementation of this Policy will depend largely on the social analysis included in the IDP (Integrated Development Plan), the LED (Local Economic Development) 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.

On an annual basis the municipal socio-economic profile will be re-evaluated, and to be aligned to the targeting approach be reconsidered, to ensure that an optimal and sustainable method of prioritisation can be found to -

- Meet 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.

For the financial year to be covered by this policy, the Municipality will use household income as the targeting approach for the registration of indigent customers.

## **10. SWORN STATEMENT**

The applicant must complete a sworn statement that forms part of the application form. Failure to do so will render the application invalid.

## **11. CONVERSION OF METERS**

The applicant must agree to the conversion to pre-payment electricity as well as pre-payment water meter. (Refer to clause 3(d) of the Policy). Failure to do so will render the application invalid.

## **12. FALSE OR MISLEADING INFORMATION**

A person who provides false information will be disqualified and be refused further participation in the subsidy scheme. In addition, he/she may be held liable for the immediate repayment of any subsidies already granted and legal action may be instituted against the guilty party/parties.

## **13. VERIFICATION OF APPLICATIONS**

- 13.1 The Municipality may conduct regular audits of the indigent register regarding 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,
- 13.2 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.
- 13.3 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 and the verification of the accuracy thereof.



- 13.4 Where any doubt exists regarding the current status of a registered indigent customer, the matter should immediately be referred to the Councillor/s representing that ward of the relevant Ward Councillors for verification at any time.

## **14. DURATION / TERMINATION OF INDIGENT SUPPORT**

- 14.1 The subsidy will be terminated as soon as the beneficiary's financial circumstances have change to the extent that it falls outside the set criteria.
- 14.2 If the circumstances have remained unchanged, **a new application must be submitted in any case after 12 months**, and the application will be dealt with in the same way as the original application.
- 14.3 The onus rests upon the beneficiary to inform the Council as soon as his/her financial circumstances change, or he/she vacates the premises.
- 14.4 The subsidy terminates when the applicant passes away.
- 14.5 Termination of the Indigent Support - Indigent support will be terminated under the following circumstances:
- 14.5.1 Death of accountholder.
  - 14.5.2 Upon application for de-registration as an indigent
  - 14.5.3 Upon Sale of property
  - 14.5.4 When circumstance in the indigent household have improved in terms of a gross income exceeding the annual amount referred to in the definitions above.
  - 14.5.5 if the applicant is found to have left about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:
    - (a) All arrears will become payable immediately
    - (b) Stringent credit control measures will apply; and
    - (c) The applicant will not be eligible to apply for indigent support for a period of 1 year
  - 14.5.6 If in the case of a tenant, the indigent has evacuated the house and is not moving into another house. The tenant must inform Laingsburg Municipality.

**PUBLIC AWARENESS** is key to maintaining fairness **and will be done through:**

- Public education drives, as part of the annual budget process.
- Social media - posts on the municipal Facebook page.
- Work with the Department of Social Development, Home Affairs, and SASSA to identify and refer potential beneficiaries.
- Mobile registration drives; and
- Information to be found at municipal offices and libraries.



## 15. ACCOUNTS IN ARREAR

Applicants, whose municipal accounts are in arrears at the time of the application for a subsidy, will have to make arrangements with the Municipality for paying off the amounts in arrears. This section to be read in conjunction with section 16. Write-Offs.

## 16. WRITE – OFFs

Council will annually, **consider write-off of debt for first time applicants**, except for reconnection/ connection charges, or penalties for theft, or any other costs in terms of existing agreements. All write-offs will be done in terms of the municipality's bad debt write-off policy.

## 17. REGISTER

- The Municipality will compile a register of households that qualify as "indigent".
- The register will be updated continually and reconciled with the relevant subsidy account in the general ledger on a monthly basis.

## 18. EXIT STRATEGY

18.1 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.

18.2 As part of its broader poverty alleviation 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.

18.3 The Municipality must promote exit from indigence by:

- a) Identifying indigents for inclusion in public works projects.
- b) Initiating local job creation projects such as cleansing operations, small infrastructure projects, etc.
- c) Facilitation of opportunities to enter the informal trade market.
- d) Incorporate the use of local labour in EPWP, MIG, WSIG, INEG etc. projects/ contracts; and
- e) Liaison with National and Provincial departments to include indigent persons in their public works programmes.

## 19. STAKEHOLDERS

Stakeholders will include the following parties:

- a) Council.
- b) Community Development Workers.
- c) Ward Committee Members.
- d) Municipal Officials.
- e) Community.
- f) Cooperative Governance and Traditional Affairs (CoGTA)
- g) National Treasury; and
- h) Other as may be identified.

These stakeholders were consulted either directed or indirectly in the development of this policy.

## 20. 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 the following:

- 20.1 Number of indigent household applications received.
- 20.2 Amount of subsidy allocated per benefit category.
- 20.3 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);
- 20.4 Performance against targets set in respect of indigent support and poverty relief. In particular pertaining to:
  - 20.4.1 Number of applications for indigent support dealt with.
  - 20.4.2 Time taken to process and finalise applications.
  - 20.4.3 Site visits undertaken; and
  - 20.4.4 Awareness and Exit initiatives.
  - 20.4.5 Changes in the registered status of indigents.

All the above information should be incorporated into the Quarterly Section 52 report to be tabled in Council and should be disclosed in the MBRR A-Schedules - A10.

## 21. OFFICE RESPONSIBLE FOR INDIGENT POLICY

The address and department details responsible for the implementation and application of the Indigent Policy will be:

***Official: Indigent Management.***

***Contact details:***

Laingsburg Municipality

25 Voortrekker Street

Laingsburg, 6900

Tel: 023 551 1019

E-mail: [klein@laingsburg.gov.za](mailto:klein@laingsburg.gov.za)


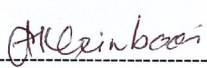
## 22. POLICY REVIEW

The contents of the policy will be reviewed on an annual basis as part of the budget related policies.



## DOCUMENT CONTROL



VERSION AND DOCUMENT CONTROL			
<b>POLICY NAME:</b>	Indigent Policy		
<b>POLICY OWNER:</b>	Financial Department / BTO		
<b>RELATED POLICIES:</b>	Indigent Management Policy		
<b>REVIEW:</b>	Annually	<b>Budget Policy</b>	Yes
<b>POLICY EFFECTIVE DATE:</b>	01 July 2025	<b>Budget Policy Nr</b>	15
Version	Date	Adoption	Revision
1	April 2023	1 <sup>st</sup> Adoption	
2	20 March 2024	28 March 2024	1 <sup>st</sup> Revision
3	30 May 2025	31 March 2025	2 <sup>nd</sup> Revision
4			3 <sup>rd</sup> Revision
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">               _____         </div> <div style="text-align: center;">               _____         </div> </div>			
Municipal Manager J. Booysen		Mayor A Kleinbooi	
Date: 30 May 2025		Date: 30 May 2025	