

To : The Speaker
Cllr M. Siyonzana

APPROVAL OF INDIGENT ACCOUNTS FOR INCLUSION IN THE 2018/21 INDIGENT REGISTER (FIRST BATCH)

1. PURPOSE

To obtain approval to register the households qualifying as indigents in the Council's indigent register for the 2018/19 to 2018/21 MTREF

2. BACKGROUND AND DISCUSSION

Mangaung Metropolitan Municipality embarked on the process of compiling the 2018/21 and updating the 2018/19 **Indigent Register** to ensure implementation of Free Basic Services to deserving and qualifying poor households in line with the Council approved Indigent policy.

Indigent policy was reviewed and adopted by Council in **May 2019** and stipulates that all households with **total/ combined monthly income of less than three state pensions (R 5 340)** for all persons over **18 years old**, qualify and will benefit from indigent subsidy on municipal services.

QUALIFICATION CRITERIA UTILIZED

Qualification criterion for indigent was applied as determined in the Indigent Policy approved by Council:-

- ✚ The applicant must be a resident within the Mangaung municipal area (Municipal account was used as a proof).
- ✚ The applicant must be in possession of a valid South African identity document (Copies of the Identity documents were utilized).
- ✚ The total monthly gross income of the registered owner/ tenant and his/her spouse or life companion is not more than three state pensions (5 340). This amount includes any rental received from other occupants on the stand as well as 5% of the gross income of any child and his/her spouse or life companion residing on the stand (Proof of the income of all occupants on the property; i.e. a letter from his/her employer, salary slip/ envelope, pension card, unemployment insurance fund (UIF) card or a certificate that confirms registration as "looking for employment" and affidavits).
- ✚ The applicant must be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system;
- ✚ Any occupant or resident of the single household referred to above may not own more than one property in addition to the property in respect of which indigent support is provided.
- ✚ A tenant can only apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.
- ✚ The current account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased who occupy the property, applies for assistance

P O Box 288, Bloemfontein 9300 Room 214, 2nd floor, Bram Fischer Building, Cnr Nelson Mandela & Markgraaf Street
Tel: +27 51 405 8625 Fax: +27 51 405 8787.E-Mail:Sabata.mofokeng@mangaung.co.za.Website: www.manguang.co.za

THE EXTENT OF INDIGENT SUPPORT

Indigent households have to be granted access to a full social package, assistance and support as set out below:-

Electricity

- All registered indigents will receive 50 kWh of electricity per month fully subsidised
- Unused free electricity units will not be carried over to the next month.

Water

- All registered indigents will receive 6 kilolitres of water per month fully subsidised.
- Any excess to the abovementioned kilolitres will be charged to the consumers

Sewerage

- All registered indigents shall be fully subsidised for sewerage levied.

Refuse Removal

- All registered indigents shall be fully subsidised for the basic levy for refuse removal.

Property Rates

All registered indigents shall be fully subsidised for the basic levy of property rates.

Burials

The indigent burials shall administered by social services departments

2.1 2018/21 Batch reports

FINANCIAL YEAR	NO OF APPLICATIONS SUBMITTED	TOTAL AMOUNT	STATUS	DATE (BATCH)	COMMENTS
2018/2021	44 876	R 368 801 958.92	TO BE APPROVED	BATCH 1	NONE

To date, the municipality has collected a total of 57 053 applications.

Below is a summary of those accounts and their recommended action:

DESCRIPTION	QUANTITY	AMOUNT
Recommended for approval	32 768	R 368 801 958.92
Housing Rental Accounts	87	R 0.00
No municipal account number	12 021	R 0.00
Pending Indigents (Require Follow up)	8 553	R 0.00
Not Recommended for approval	3 624	R 0.00
TOTAL APPLICATIONS RECIEVED	57 053	R 368 801 958.92

2.2 Recommended for approval

- 32 768 applications with a balance of **R 368 801 958.92** are new and re-applications.

Refer to Annexure A.

2.3 Applications without municipal accounts

- 12 021 do not have services accounts with the municipality but they have prepaid electricity meters with Centlec. Thus, the customers are considered to be indigent and qualify to obtain free electricity.

Refer to Annexure B.

2.4 Housing Rental Applications

- 87 applications are housing rental accounts, thus the customers are considered to be indigent and qualify to obtain free electricity.

Refer to annexure C.

2.5 Applications not recommended in the 2019/2022 registration process

- 3 624 applications were received and it was established that the applicants do not qualify to be included in the indigent register due to the following reasons:
 - Applicant deceased, beneficiary must reapply;
 - Above the threshold;
 - Properties identified as businesses.

Refer to Annexure D.

2.6 Pending

- A total of 8 553 application were received but are still pending because of the following:
 - Dummy properties
 - Duplicates
 - Government properties
 - Municipal Leased- Departmental properties
 - Municipal properties
 - ITC Checks & Valuation Roll findings

Refer to Annexure E.

3. **LEGAL IMPLICATIONS**

Municipal Finance Management Act 56 of 2003

Local Government Municipal Systems Act 32 of 2000

4. **FINANCIAL IMPLICATIONS**

1. An amount of **R 368 801 958.92** for 32 768 indigent accounts to be written off and provided with 6 Kilolitres of water monthly (Annexure A).

2. 12 021 applications will be provided with 50 kWh of electricity on a monthly basis (Annexure B).

3. That 87 rental housing indigent account to be provided with 50 kWh of electricity on a monthly basis (Annexure C)


5. **RECOMMENDATIONS**

1. That council approves that subsidies still be applied to indigents of the 2015/18 indigent register until the approval of this item.
2. That the council approves the **32 768** applications for inclusion in the 2018/2021 indigent register and are provided with free basic services as stipulated in the indigent policy.
3. That the council approves the **12 021** applications for inclusion in the 2018/2021 indigent register and are provided with free 50 kWh of electricity monthly.
4. That the council approves the **87** housing rental applications for the provision of free 50 kWh of electricity monthly in the 2018/2021 indigent register.
5. That council write off the **R 368 801 958.92** owed by **32 768** indigents.

Submitted by:

Recommended by:

Approved by:


Mr S. Mofokeng
CFO


Adv. TB Mea
City Manager


Cllr SM Mlamleli
Executive Mayor