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MANGAUNG

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE
FINANCE

Revenue Management

To : The Speaker – Cllr Maryke Davies

APPROVAL OF INDIGENT ACCOUNTS FOR INCLUSION IN THE 2023/25 INDIGENT REGISTER

1. PURPOSE

To obtain approval to register the households qualifying as indigents in the Council's indigent register for the 2023/24 to 2024/25 MTREF.

2. BACKGROUND AND DISCUSSION

Mangaung Metropolitan Municipality embarked on the process of compiling the 2023 to 2025 **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 June 2022 and stipulates that all households with total / combined monthly income of less than three state pension (R 6 270.00) for all persons over 18 years old, qualify and will benefit from indigent subsidy on municipal services.

QUALIFICATION CRITERIA UTILIZED

Qualification criteria 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 (R 6 270.00). 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.

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- Any occupant or resident of the single household referred to above may not own more than one property in addition to the property 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 dependant of a deceased who occupy the property applies for assistance.

2.1 Recommended for approval.

- 13 712 applications with a balance of R 242 976 038.44 are applications recommended for approval.

Refer to Annexure A

- 698 applications with a balance of R 32 853 049.08 that could not be approved previously in the September 2022 have since been finalised for submission, hence they are recommended for approval.

Refer to Annexure B

2.2 Applications without municipal accounts

- 737 applicants do not have services accounts with municipality, but they have prepaid electricity meters with Centlec. The customers are considered to be indigent and qualify to obtain free electricity.

Refer to Annexure C

3. **LEGAL IMPLICATIONS**

Municipal Finance Management Act 56 of 2003

Local Government Municipal Systems Act 32 of 2000

4. **FINANCIAL IMPLICATIONS**

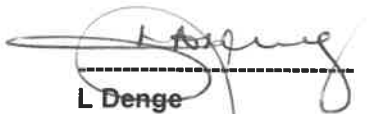
- An amount of R 275 829 087.52 for 14 410 indigent accounts to be written off and be provided 6 kilolitres of water monthly (Annexure A and B)
- Total of 14 410 applications will be provided with 50 kWh of electricity monthly.

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5. **RECOMMENDATIONS**

- The council approves the 14 410 applications for inclusion in the 2023/2025 indigent register and are provided with 6 kilolitres of water monthly as stipulated in the indigent policy.
- That the council approves the 15 147 applications for inclusion in the 2023/2025 indigent register and are provided with free 50 kWh of electricity monthly.
- That council write off the R 275 829 087.52 owed by 14 410 indigents.

Recommended by:



L Denge
Act Chief Financial Officer

Supported by:



N Dumalisile 24/05/2023
Acting Municipal Manager

Approved by:



G Nthatsi
Acting Executive Mayor

Rectified by:

G Malaza
NCR

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G Malaza
NCR 26 May 2023

