

MOGALE CITY LOCAL MUNICIPLITY

# INDIGENT MANAGEMENT POLICY

2026-2027



## TABLE OF CONTENTS

<b>PREAMBLE</b> .....	<b>3</b>
<b>CHAPTER 1</b> .....	<b>4</b>
1    Introduction .....	4
2    Purpose .....	4
3    Objective Of Policy .....	4
4    Principles Of the Policy .....	5
<b>CHAPTER 2</b> .....	<b>6</b>
5    DEFINITIONS .....	6
6    LEGISLATIVE FRAMEWORK AND GUIDELINES .....	10
7    SCOPE OF POLICY APPLICATION .....	11
<b>CHAPTER 3</b> .....	<b>11</b>
<b>QUALIFICATION CRITERIA</b> .....	11
<b>CHAPTER 4</b> .....	<b>19</b>
9    Registered Indigent Household / Person .....	19
<b>CHAPTER 5</b> .....	<b>22</b>
<b>10 Period Of Relief</b> .....	<b>22</b>
11    Under-Usage of Allocation .....	22
12    Excess Usage of Allocation .....	22
13    Termination Of Indigent Support .....	22
<b>CHAPTER 6</b> .....	<b>23</b>
14    Administration Of Indigent Support .....	23
15    Control Measures for The Distribution of Indigent Support .....	24
16    Corrective Steps .....	25
17    Action Against Malpractices to Misrepresentation or Misuse .....	25
<b>CHAPTER 7</b> .....	<b>26</b>
18    Reporting And Quality Management .....	26
19    Access To Information on The Register by Public .....	26
20    Budgeting For Indigent Support .....	26
21    Communication .....	27

**CHAPTER 8 ..... 27**

<b>22</b>	Formal Application Procedure .....	27
<b>23</b>	Deemed Indigent Verification Procedure .....	28
<b>24</b>	Assessment And Screening of Applicants .....	29
<b>25</b>	Exiting The Programme .....	30

**CHAPTER 9 ..... 30**

<b>26</b>	Right To Appeal .....	30
<b>27</b>	Right To Reassessment of Declined Applications .....	30
<b>28</b>	Short Title .....	31

## PREAMBLE

**WHEREAS** Section 74 of the Local Government: Municipal Systems Act 2000 (Act No 32 of 2000), requires that the Council should, in formulating a Tariff Policy for the municipality, at least take into consideration the extent of subsidisation of tariffs for poor households.

**WHEREAS** Council needs to have an approved Indigent Management Policy.

**WHEREAS** such policy must provide procedures and guidelines for the subsidisation of basic services and tariff charges to its indigent households.

**WHEREAS** the Council has committed itself to render a basic level of services necessary to ensure an acceptable and reasonable quality of life.

**NOW THEREFORE** the Council of the Mogale City Local Municipality has adopted the **Indigent Management Policy** set out hereunder: -

## CHAPTER 1

### POLICY FRAMEWORK AND GUIDING PRINCIPLES

#### 1 Introduction

The Indigent Management Policy is a legal imperative, a tool designed to ensure that persons and households classified as indigent have access to basic services as defined in the Constitution of the Republic of South Africa, Act No 108 of 1996. This policy therefore is a tool of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels. This policy must be read in conjunction with the Credit Control Policy and other applicable legislative frameworks

#### 2 Purpose

(1) The purpose of this policy is to—

- (a) ensure and maintain access to basic services and benefits for all approved and deserving indigent households.
- (b) improve monitoring systems, provide support and strengthen the capacity of the Mogale City Local Municipality to implement the policy.
- (c) ensure that subsidisation for indigent support is funded and
- (d) allocated according to policy directives to qualifying households.
- (e) effectively manage co-ordination between internal and external departments regarding policy implementation.
- (f) link members of registered indigent households with exit programmes, with the exclusion of pensioners and child-headed households; and
- (g) (f) ensure that the Municipality remains financially sustainable while meeting the needs of indigents.

#### 3 Objective Of Policy

(1) The objectives of this policy are to—

- (a) provide basic services to indigent households within the municipal area in a sustainable manner, within the financial and administrative capacity of the Municipality.

- (b) establish procedures and guidelines for the effective subsidisation of basic service charges to approved indigent households, within budgetary and intergovernmental grant guidelines

#### **4 Principles Of the Policy**

(1) Section 74(2)(c) of the Municipal Systems Act, 2000, provides that poor households must have access to at least basic services through—

- (a) tariffs that cover only operating and maintenance costs.
- (b) special tariffs or lifeline tariffs for low levels of use or consumption of services for basic levels of service; or
- (c) any other direct or indirect method of subsidisation of tariffs for poor households.

(2) The following guiding principles apply to this policy:

- (a) The policy must be formulated in accordance with the Constitution of the Republic of South Africa, 1996, and other applicable legislation, including the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).
- (b) Relief must be provided by the Municipality to registered residential consumers of services who are indigent.
- (c) Relief must, wherever possible, be in accordance with the Constitution and be cost-effective, sustainable, practical, fair, equitable and justifiable.
- (d) Subsidisation of minimum service levels must not create a massive bureaucratic administration that is not cost-effective.
- (e) Differentiation must be made between households that cannot afford to pay for basic services and those that will not pay.
- (f) Other municipal services, in addition to free basic services, should, where possible, be affordable and beneficial to indigents.
- (g) Relief is valid for a maximum period of 24 months.
- (h) The Council may review and amend the qualification criteria for indigent support.

- (i) The joint gross income of all household occupants is considered in determining eligibility.
- (j) The indigent database must be updated regularly.
- (k) Misuse of support or supply of invalid information leads to punitive action.
- (l) The Municipality reserves the right to verify new applications and existing approved indigents against any relevant external data source.
- (m) The Council may use external services or references to verify information provided by applicants.
- (n) This policy must be linked with poverty alleviation and economic development initiatives, and with the Gauteng Department of Social Development and other relevant bodies.

## **CHAPTER 2**

### **DEFINITIONS, LEGISLATIVE FRAMEWORK AND POLICY APPLICATION**

#### **5 Definitions**

- (1) For the purpose of this policy, any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in this policy, and unless the context indicates otherwise: –

<b>“Authorised Officer”</b>	means any official of the Council who has been authorised by the Council to administer, implement and enforce the provisions of this policy.
<b>“Basic Services”</b>	means the supply of the following basic services: <ul style="list-style-type: none"> <li>▶ Energy supply</li> <li>▶ Water supply</li> <li>▶ Sanitation services</li> <li>▶ Refuse removal service</li> </ul>

<p><b>Business</b></p>	<p>An activity that involves a natural person or entity performing an activity or trade with the intent of making a profit. The activity or trade may be commercial, industrial, professional, or otherwise. A business commonly involves providing goods or services for the public while operating at a profit.</p> <p>an undertaking or a business concern, whether formal or informal, which is engaged in the production of goods or provision of services; and</p> <p>(b) includes an entrepreneur; and</p> <p>(c) a small enterprise, a small enterprise organization and a co-operative</p>
<p><b>“Entrepreneur”</b></p>	<p>entrepreneur’ means a person who starts or operates a business, or both, which includes identifying opportunities in the markets, taking risks with a view to being rewarded with profits.</p>
<p><b>“Business activities”</b></p>	<p>Involves providing goods or services for the public in exchange for monetary value may include but not limited tuck-shop, backroom, shack, in-house room letting or renting, taxi operating, ECD services, carwash, Kota house etc.</p>
<p><b>“Calendar days”</b></p>	<p>means all days in the month inclusive of Saturdays and Sundays.</p>
<p><b>“Child Headed Households”</b></p> <p><b>Vulnerable women”</b></p>	<p>Means a household headed by a child under the age of 18 who has assumed the role of caregiver in respect of the children in the household because the guardian or caregiver of the household is terminally ill, has died or has abandoned the children in the household</p> <p>refers to women who are at a heightened risk of harm, exploitation, discrimination, or marginalization due to various social, economic, legal, or personal factors.</p>

<b>“Municipal Manager”</b>	means the person appointed by the Council as the Municipal Manager of Mogale City Local Municipality in terms of Section <b>54A</b> of the <b>Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)</b> in South Africa and includes any person: (a) acting in such position, and (b) to whom the Municipal Manager has delegated a power, function or duty.
<b>“Council”</b>	Means - (a) the <b>municipal council</b> of a municipality, which is the governing body responsible for the legislative and executive authority of the municipality.
<b>“Deemed Indigent Household”</b>	means individuals who live together in a single residential property and qualifies for indigent relief based on the geographical (Informal settlements) area and value of property (RDP) as determined in terms of general valuation.
<b>“Dependant”</b>	To read as follows: means a minor and or a person who is financially dependent and resides permanently with the owner and/or tenant of property in a single residential property within the area of jurisdiction of Mogale City Local Municipality.
<b>“Essential household services”</b>	means provision of water supply, sanitation, refuse removal, supply of basic energy.
<b>“Household Income”</b>	means any form of remuneration and/ or income as defined in the Sixth Schedule to the Income Tax Act, 58 of 1962 but excluding State social grants.
<b>“Illegal connection”</b>	a connection to any system through which municipal services are provided, which is not authorised or approved by the Municipality or its authorised agent.
<b>“Indigent Household”</b>	means individuals who live together in a single residential property and collectively qualifies for indigent relief in terms of this policy.

<b>“Indigent Person”</b>	means a needy person lacking the basic necessities of life such as water, basic sanitation, refuse removal, health care, housing, environmental health, supply of basic energy, food, clothing and has a lower income threshold as defined in this policy.
<b>“Municipality”</b>	means an organ of state within the local sphere of government that exercises legislative and executive authority within a specific geographical area.
<b>“Occupier”</b>	A person who lives on land which does not belong to him/her and who has permission from the owner to be there. This is not limited to the account holder.
<b>“Pensioner”</b>	means a person whom – (i) is at least 60 years of age on date of application.
<b>“Registration method”</b>	means registration process applied by Council in the indigent application process.
<b>“Resident”</b>	means a person residing within the area of jurisdiction of Mogale City Local Municipality and consume services as provided by the Council.
<b>“Services”</b>	means the “basic services” as defined above.
<b>“Working Days”</b>	means Monday to Friday excluding public holidays.
<b>“Youth Headed household”</b>	Is deemed to be a household that is headed by a youth above the age of 18 years to 35 years, who has assumed the role of care-giver in respect of the children in the household and is responsible for management of such households, due to the parent/s guardian or care-giver of the household who was the registered owner/ account holder/ legal tenant of the property who is terminally ill, deceased or abandoned the children in that household.
<b>Verification:</b>	is the formal administrative process through which a municipality confirms that an applicant household genuinely qualifies for indigent support in terms of the approved Indigent Policy. It involves

<p><b>Verification Officer”:</b></p>	<p>checking, validating, and corroborating all information submitted by the applicant against documentary evidence, Refers to an official duly authorized by the municipality to assist with the physical verification of households that applied for indigent support.</p>
<p><b>“Short Term Assistance (STA)”</b></p>	<p>Refers to relief Short-term assistance refers to temporary relief provided to indigent households facing unforeseen financial distress</p>
<p><b>“Indigent Management System”</b></p>	<p>Refers to an electronic or any other system used by the Municipality to facilitate the identification, registration, assessment, and monitoring of indigent households to ensure they receive appropriate support.</p>
<p><b>“Indigent register”:</b></p>	<p>Means the municipal list of indigent customers as per the municipal policy, which must be updated monthly, designed to contain all the data contained within completed indigent application forms which contain the following.</p>
<p><b>“Poverty”</b></p>	<p>refers to a condition in which individuals or households lack sufficient financial resources to meet their basic needs, including food, shelter, healthcare, and education. It is often measured by income levels, living conditions, and access to essential service.</p>

## 6 Legislative Framework and Guidelines

(1) This policy is framed within the following legislative instruments:

- (a) Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996).

- (b) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
- (c) Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004).
- (d) Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).

(2) The following guidelines inform this policy:

- (a) National Framework for Municipal Indigent Policies: Towards a basket of services for the poor (May 2007).
- (b) Free Basic Water Strategy and guidelines (Department of Water and Sanitation).
- (c) Electricity Basic Services Support Tariff (Free Basic Electricity Policy, Department of Minerals and Energy, 2003).
- (d) National Policy for the Provision of Basic Refuse Removal Services to Indigent Households (2010).

(3) The policy also aligns with the following municipal policies:

- (a) Provision of Free Basic Water Supply Policy.
- (b) Provision of Free Basic Electricity Policy.
- (c) Credit Control and Debt Collection Policy.

## **7 Scope Of Policy Application**

- (a) This Indigent Management Policy applies within the area of jurisdiction of the Mogale City Local Municipality.
- (b) The Indigent Support Programme must be accessible to all qualifying indigent persons.

## **CHAPTER 3**

### **QUALIFICATION CRITERIA**

## **8 Indigent Households**

- (1) Indigent relief is granted to an approved household where—
  - (a) the combined gross monthly income of all household members does not exceed an amount equal to twice the sum of the

- government pension grant and two child support grants, as prescribed by the Minister of Finance from time to time (the “indigent threshold”).
- (b) rental income received by the household is included in the household income for the purpose of assessing the threshold, but the salary of a tenant living on the applicant’s property is not included.
  - (c) eligible applicants include pensioners (provided their combined monthly household income is within the threshold), unemployed persons, child-headed families, and employed persons whose monthly income is below the threshold.
  - (d) the applicant holds an account with the Council for basic services or assessment rates in his or her name.
  - (e) the applicant is a South African citizen or a permanent resident in possession of a South African identity document.
  - (f) the property is used exclusively for residential purposes.
  - (g) the applicant resides on the property for which indigent status is applied.
  - (h) information about all persons appearing on the municipal account is provided at the time of application.
  - (i) in the event of divorce, the party to whom the property is awarded is the applicant; separated couples are not treated as divorced, and the income of both spouses is included in the joint monthly household income.
  - (j) in the event of joint ownership where only one owner resides on the property, the proof of income of all owners is included in the joint monthly household income.
  - (k) the current account of a deceased estate may be subsidised if the surviving spouse or dependants who occupy the property apply for assistance and submit the relevant supporting documents.

- (l) applications by persons with special needs may be supported by a letter from a municipal-appointed social worker where the applicant is unable to express his or her own views.
- (m) all South African Social Security Agency (SASSA) grants are excluded from the calculation of household income; private pensions are included.
- (n) The following are not catered for under this policy: business premises, vacant land, agricultural land, schools, drop-in centres, and children's homes.

(2) Child-headed household/ youth headed households

Child-headed households are treated as special cases, subject to the following conditions:

- (a) The remaining members of the household must comply with the normal qualifying criteria for indigent support.
- (b) The deceased parent's account will be closed after a change of ownership.
- (c) The oldest child signs the user agreement, assisted by an appointed legal guardian in possession of a letter of authority issued by the magistrate's court or a letter of executorship issued by the High Court.
- (d) Any person above the age of 18 who does not have a source of income must submit an application form for indigent assistance.
- (e) The property must not be occupied by any member other than the minor dependent children of the deceased owner or tenant and their legal guardian.
- (f) The status of the household is reviewed at least every 24 months.

(3) Exclusions

Indigent relief is not granted where the applicant, household, occupants or dependants—

- (a) receive significant benefits or regular monetary income above the indigent threshold.

- (b) are not the registered consumer of services in the records of the Council and do not have supporting documents such as a letter of authority or executorship.
- (c) own more than one property, whether registered individually or jointly (*provided that any additional property situated within or outside the boundaries of the Municipality must not be in arrears with the relevant municipality at the time of application; the applicant must submit recent proof of municipal accounts for such properties reflecting that all charges are fully paid or subject to an approved and honoured payment arrangement; failure to provide such proof renders the applicant ineligible*).
- (d) rent or sublease the property or part thereof to any third party, and the monetary income from such rental is above the indigent threshold during the grant period.
- (e) have tampered with or illegally connected or reconnected services prior to the application, until the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Council have been paid in full.
- (f) conduct business activities on the property and the income therefrom is above the indigent threshold.
- (g) refuse entry to the property for verification purposes, in which case the application is declined.
- (h) are employees of any organ of state (national, provincial, local or state-owned entities).

#### (4) Deemed Indigent Household

Households in the following categories are deemed to be indigent if—

- (a) the property is used for residential purposes only, reflected in the General Valuation Roll.
- (b) the residential exclusion as per the Property Rates Act, 2004, is applicable to the property.
- (c) the municipal value of the property does not exceed R350 000 (applicable to government-provided housing –RDP).

- (d) the household is in an un-proclaimed township within the Municipality, and—
- (i) the individual property is not registered at the Deeds Office;
  - or
  - (ii) the proclaimed property is registered in the name of Mogale City Local Municipality and included in the general valuation roll; or
  - (iii) the provisional value of the individual developed residential property, as determined by the municipal valuer, does not exceed R300 000 on the date of valuation.
- (e) all informal settlements households (electrified or not) are deemed indigent.
- (f) Mogale City Local Municipality registered informal settlements are registered as deemed indigent properties with linked services.
- (g) Mogale City Local Municipality Rental Scheme tenants are registered as deemed indigent for individual registered metered services (water, sanitation and electricity) only.

#### (5) Exclusions of Deemed Indigent Households

Indigent relief is withdrawn were, upon verification, the deemed indigent household, occupants or dependants—

- (a) receive significant benefits or regular monetary income above the indigent threshold; own more than one property, registered individually or jointly.
- (b) rent or sublease the property or part thereof to any third party.
- (c) tamper with or illegally connect or reconnect services.
- (d) conduct business activities on the property with a monthly turnover greater than the indigent threshold.
- (e) occupy properties registered in the name of national, provincial or local government.
- (f) request to be excluded from deemed indigent relief.

- (g) are employees of any organ of state (excluding Expanded Public Works Programme (EPWP) and Community Work Program
- (6) Elderly Residing in Council-Owned Properties and Private Retirement Villages
- (a) Council-Owned Rental Properties  
Elderly persons renting Council-owned properties may qualify for indigent support on municipal services, provided that:
- (i) The applicant meets all indigent qualification criteria; and
  - (ii) The municipal account is held in the name of the applicant or can be directly linked to the applicant's occupancy and consumption.
- (b) Private Retirement Villages, Old Age Homes and Similar Facilities  
Indigent support is strictly limited to qualifying individuals and may not be extended to property owners, developers, managing agents, body corporates, or any legal entity responsible for bulk municipal accounts. Applications from residents in private retirement villages will only be considered where all the following conditions are met:
- (i) Individual Liability for Municipal Services  
The applicant must have a separate, identifiable municipal account in their own name, or a clearly itemised account issued directly to the resident reflecting actual consumption of municipal services.  
Bulk accounts issued to a body corporate, managing agent, owner, or operator will not qualify.
  - (ii) Prohibition of Institutional Claims  
No application will be approved where the municipal account is held in the name of a body corporate, trust, company, managing agent, or facility owner. Indigent benefits may not be claimed, transferred, or aggregated by any institution on behalf of residents.
  - (iii) Proof of Direct Financial Responsibility  
The applicant must demonstrate that they are directly responsible for the payment of municipal services, separate from rental, care fees, or levies. All-inclusive rentals, levies, or service packages that incorporate municipal services will disqualify the application.
  - (iv) Exclusion of Commercial and Subsidised Facilities  
Facilities operated for profit, or receiving any form of operational subsidy, grant, or external funding for resident care or services, will not qualify for indigent support on behalf of residents where municipal services form part of the business model.

(v) Transparency of Charges

Where individual billing is permitted, the owner or managing agent must submit:

- A full breakdown of charges per unit.
- Proof that municipal benefits are credited directly to the qualifying resident; and
- Confirmation that no portion of the benefit is retained by the institution.
- Failure to provide satisfactory proof will result in immediate suspension of benefits.

(vi) No Double Benefit

Residents receiving accommodation or services fully or partially subsidised by any government institution, non-profit organisation, or private entity will not qualify for additional indigent support on municipal services.

(vii) Right of Verification and Withdrawal

The Municipality reserves the right to conduct inspections, request financial records, and verify billing structures at any time. Where manipulation, misrepresentation, or misuse is identified, benefits will be withdrawn with immediate effect, and recovery processes may be initiated.

(7) Special Provision for Vulnerable Women without Ownership or Authority Documentation

1 This provision is intended only for vulnerable women with a legitimate family or social link to the property owner and must not be used to regularise or support unlawful occupation of property.

2 An application under this provision will only be considered if all the following conditions are met:

(a) **Legal Status**

The applicant must be a South African citizen or permanent resident.

(b) **Definition of Vulnerability**

The applicant must be a vulnerable woman, limited to—

- (i) a single female head of household.
- (ii) a survivor of domestic violence, supported by a report/case number from SAPS, a court, or a registered shelter; or
- (iii) a woman over the age of 60 with no income or adequate family support.

(c) **Relationship to Property Owner**

- (i) The applicant must provide proof of a verifiable relationship to the legal owner of the property,

including but not limited to spouse, child, sibling, or extended family member.

- (ii) No application will be approved where no link to the lawful owner can be established.

**(d) Prohibition of Unlawful Occupation**

Applications will be declined where—

- (i) the property is occupied without the knowledge or consent of the legal owner.
- (ii) the applicant is involved in the invasion, hijacking, or illegal occupation of the property; or
- (iii) there is an active dispute, eviction process, or legal claim relating to unlawful occupation.

The Municipality will not provide indigent support in a manner that legitimises or sustains unlawful occupation.

**(e) No Alternative Property Ownership**

- (i) The applicant must not own or have any interest in any other property.

**(f) Income Qualification**

- (ii) The applicant must fall within the approved indigent income threshold and must not be formally employed beyond the qualifying limit.

**(g) Mandatory Supporting Requirements**

**1 Sworn Affidavit**

The applicant must submit an affidavit confirming—

- i. duration of residence (minimum of 12 consecutive months).
- ii. relationship to the property owner.
- iii. absence of ownership or formal authority.
- iv. full household details and income; and
- v. reasons for not having a letter of authority.

Providing false information will result in disqualification and possible legal action.

**2 Social Worker Assessment**

A registered Mogale City social worker must submit a report confirming the applicant's vulnerability, living conditions, and family circumstances.

**3 Ward Councillor Confirmation**

The ward councillor must confirm knowledge of the applicant and her residence at the property. This confirmation does not replace ownership verification.

**4 Property Ownership Verification**

- i. The Municipality must verify the legal ownership of the property through municipal

records, the Deeds Office, or any other official source.

- ii. Where the owner is deceased, proof must be provided, and the matter must not be under dispute among family members.
- iii. Where the owner cannot be traced, a municipal investigation report must confirm reasonable efforts made to locate the owner.
- iv. No application will be approved where ownership is disputed or unclear.

#### 5 Site Inspection

A municipal official must conduct a site inspection to confirm

- i. that the applicant resides on the property.
- ii. that the property is used for residential purposes only; and
- iii. that there is no rental, subletting, or commercial activity taking place.

Any evidence of rental or income-generating activity will disqualify the application.

#### 6. Exclusions

This provision does not apply to—

- i. backyard dwellers or tenants paying rent.
- ii. persons occupying properties without any family or lawful link to the owner.
- iii. properties that have been hijacked, invaded, or unlawfully occupied; or
- iv. applicants attempting to use this provision to avoid eviction or legal processes.

## CHAPTER 4

### EXTENT OF INDIGENT SUPPORT AND RESPONSIBILITIES OF REGISTERED INDIGENT HOUSEHOLDS

#### 9 Registered Indigent Household / Person

(1) Indigent support is granted on a monthly basis, and the extent of the monthly support is determined by national policy guidelines and the Council's budgetary provisions, as follows—

Services	Indigent Service %	Deemed Indigent Service %
Property tax	100%	100%
Water	6kl	6kl or Water tankers or communal taps
Electricity	50KWh	50KWh/ FBAE will depend on municipal fiscus

Refuse Removal	100%	100% /Include Skip bins in Informal Settlements
Sanitation	100%	100% / Include VIP toilets
Historical Debt Write off	100%	100%

- (2) The relief is subject to national policy guidelines and the Council's budgetary provisions.
- (3) The recipient's monthly account is credited with the amount of indigent relief granted.
- (4) A household may apply for continuation of relief upon expiry of the relief period, subject to compliance with the qualification criteria.
- (5) Historical Debt Write-Off under the following conditions —
- (a) The accumulated historical debt of an approved indigent household is written off once during the 24-month indigent cycle, before the expiry of that cycle.
  - (b) All levies exceeding the subsidy discounts remain payable each month; any accrued debt after the historical debt write-off is subject to credit control and debt collection procedures.
  - (c) Indigent households approved under Short-Term Assistance will not receive historical debt write-off but benefit only from free basic services for a period of 12 months.
- (6) Deemed Indigent Households
- (a) Indigent support is granted on a monthly basis to deemed indigent households, determined by national policy guidelines and the Council's budgetary provisions, as follows—
    - (i) 6 kl free basic water (or water tankers/communal taps in informal settlements).
    - (ii) 100% rebate on refuse removal (including skip bins in informal settlements).
    - (iii) 50 kWh free basic electricity (subject to fiscus).
    - (iv) 100% rebate on basic sanitation (including VIP toilets in informal settlements).
    - (v) 100% rebate on property rates.

- (vi) The level of indigent support granted does not exceed the actual monthly billing for the services.
- (vii) The relief is subject to national policy guidelines and the Council's budgetary provisions.
- (viii) The recipient's monthly account is credited with the amount of indigent relief granted.

(7) Short-Term Assistance (STA)

An indigent household in temporary financial distress may be assisted for a period not exceeding 12 months under the following circumstances—

- (a) temporary unemployment.
- (b) hospitalization.
- (c) incarceration.
- (d) The household head is a missing person.
- (e) traditional and spiritual initiation.
- (f) Households receiving Short-Term Assistance are reassessed every twelve months.
- (g) A legal declaratory document from the relevant institution (e.g., medical declaration, letter from the Department of Labour, police report, letter from a traditional healer or spiritual leader, or correctional services) is required as proof of temporary distress.

(8) Responsibilities of registered indigent households

A registered indigent household must—

- (a) accept the installation of pre-paid electricity and water meters by the Municipality.
  - (i) refusal to accept installation of these meters results in reinstatement of the debt and revocation of indigent status.
- (b) accept technical assistance offered by the Municipality to make current monthly consumption of services affordable through service-limiting devices.
- (c) pay for services if monthly consumption exceeds the allocated level provided under this policy.
- (d) immediately inform the Indigent Management Office of any change in the household's economic status that affects its eligibility—

- (i) it remains the responsibility of the indigent beneficiary to notify the Municipality of any financial changes; failure to do so constitutes a breach of this policy and may result in penalties, including the repayment of benefits received unlawfully.

## **CHAPTER 5**

### **PERIOD OF RELIEF, USAGE CONDITIONS AND TERMINATION OF INDIGENT SUPPORT**

#### **10 Period Of Relief**

- (1) Indigent relief is granted for a reviewable period of 24 months, as determined by the Council.

#### **11 Under-Usage of Allocation**

- (1) If the level of consumption of an indigent household is less than the consumption level approved, the household may not claim or accrue the unused portion of the benefit, whether in cash or rebates.

#### **12 Excess Usage of Allocation**

- (1) If the level of consumption of an indigent household exceeds the consumption level approved, the household must pay for the excess consumption monthly.
- (2) Accounts of indigent beneficiaries that are not settled monthly are subject to credit control measures that may affect the free basic services.

#### **13 Termination Of Indigent Support**

- (1) Indigent support is terminated under the following circumstances—
- (a) refusal by the indigent household to accept the installation of pre-paid meters after registration.
  - (b) death of the account holder.
  - (c) failure by the beneficiary to re-apply for indigent support within three months before the expiry date of the 24-month cycle.
  - (d) sale of the property-sale of the property within the 24-month cycle after receiving a debt write-off – the debt written off within that cycle is reversed.
  - (e) improvement in the household's economic status such that its gross income exceeds the stipulated threshold.

- (f) the indigent beneficiary must notify the Municipality of any financial changes; failure to do so is a breach of this policy and may result in penalties, including repayment of unlawfully received benefits.
- (g) discovery that the approved indigent supplied false information to obtain relief – relief is stopped with immediate effect.

***The Municipality reserves the right to reassess the circumstances of any household registered as indigent including to review and revise the entire Policy, criteria, and benefits.***

## **CHAPTER 6**

### **ADMINISTRATION AND CONTROL OF INDIGENT SUPPORT**

#### **14 Administration Of Indigent Support**

- (1) An applicant must present his or her identity document at the point of application, and the following steps apply—
  - (a) if the applicant is the registered owner, property details must be supplied with a copy of the monthly account statement and/or prepaid meter token, together with a SAPS-certified affidavit stating the names and identity numbers of all individuals residing on the property.
  - (b) a letter of authority from the magistrate's court or a letter of executorship from the High Court must be submitted where applicable (this does not transfer ownership of the property but serves to assist the household to access indigent support while the winding-up of the deceased estate is expedited).
  - (c) after the application form is completed, an effective and efficient evaluation system must verify the information furnished, and a decision must be reached within 90 days after the date on which the application was lodged, any applicant not found after three site verification attempts is disapproved.
  - (d) if a household is found to be indigent, its personal particulars must be registered on a database linked to the debtor system with immediate effect.

- (e) the recipient of relief must inform the Council of any change in his or her status or personal household circumstances.
- (f) all approved indigents must re-apply three months before the expiry date of the 24-month cycle.
- (g) if the socio-economic status of the household improves beyond the indigent threshold, the applicant must apply for cancellation of the indigent status.
- (h) where a business (e.g., tuck-shop) is operating on the property, the applicant must provide the financial turnover, including personal and business bank statements of the business or a lease agreement from the tuck-shop owner/operator; affidavits are accepted only as supporting documents to financial turnover statements.
- (i) owners of bonded property applying for indigent support must provide supporting documentation quantifying their payment history with the bond financing institution, showing the amount paid to the bond and any other arrangement made with the institution.
- (j) the bond payment and other household income must not exceed the income threshold stated in clause.
- (k) relief is stopped with immediate effect if it is found that an approved indigent supplied false information to obtain relief.
- (l) relief is also stopped if it is discovered that an approved indigent failed to inform the Municipality of changes in financial circumstances that would disqualify them from receiving assistance.
- (m) the Municipality reserves the right to recover all benefits or expenses equivalent to what the Municipality has spent on the beneficiary during the period in which they were no longer eligible.
- (n) providing misleading information constitutes fraud; the Municipality may claim any financial benefits granted from the indigent, and criminal charges may be brought against such person(s).

## **15 Control Measures for The Distribution of Indigent Support**

- (1) Any resident of the Municipality who is aware of malpractice may lodge an objection for review by the Indigent Appeals Committee.

- (2) The details of all applicants and their respective households must be submitted to the Council on a quarterly basis.
- (3) A registered indigent who, within 24 months of being registered, sells the registered property is automatically disqualified from indigent support, and the indigent relief is revoked.

## **16 Corrective Steps**

- (1) If the extent of indigent support as set out in this policy is exceeded, the following must be implemented in respect of all registered indigents—
  - (a) installation of a pre-paid electricity meter.
  - (b) installation of a water flow restrictor.
  - (c) surcharges over and above the implementation of the Credit Control and Debt Collection Policy are applicable.

## **17 Action Against Malpractices to Misrepresentation or Misuse**

- (1) Customers found to have misrepresented themselves in order to benefit from any relief or benefit under this policy are deemed to have committed an offence; remedial measures are taken as determined by the Council from time to time, and all relief or benefits received are reversed to the customer's account from the date of the offence.
- (2) The Council may refer any misrepresentation to the Indigent Appeals Committee, which must take action as ordered by the Council or any of the following steps deemed appropriate—
  - (a) request the resident to provide full proof of his or her banking account, receipt of income details, and pension registration where applicable.
  - (b) keep the details of the objector anonymous.
  - (c) request a social worker's report on the household.
  - (d) institute criminal proceedings against the recipient.
  - (e) If it is established that incorrect information was furnished to obtain relief, any of the following actions may be taken—
    - (i) suspend or stop the relief immediately.
    - (ii) recover from the recipient the amount of relief furnished by debiting his or her account.

- (iii) apply the credit control and debt collection procedures of the Municipality.
- (iv) institute criminal proceedings against the recipient.

- (3) If an applicant or deemed indigent tampers with or illegally connects or reconnects services prior to or during the approved indigent period, all approved rebates are reversed to the account for a period not exceeding three years, and the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Council must be paid in full.
- (4) Penalty fees as stipulated in the Municipality's approved tariffs schedules apply to customers found to have tampered with or illegally connected or reconnected services.

## **CHAPTER 7**

### **REPORTING, PUBLIC ACCESS AND FINANCIAL MANAGEMENT**

#### **18 Reporting And Quality Management**

- (1) The Community Development Services Department must submit monthly reports to the relevant Portfolio Committees on the progress made regarding the administration of the Indigent Management Programme.

#### **19 Access To Information on The Register by Public**

- (1) A register of indigent beneficiaries must be maintained, and the human dignity of applicants must be protected.
- (2) The indigent register may be made available to the public, subject to the Promotion of Access to Information (Act No. 2 of 2000).
- (3) Written objections from the public must be referred to the Department of Community Development Services, which is responsible for forwarding the complaints to the Indigent Appeals Committee for consideration.

#### **20 Budgeting For Indigent Support**

- (1) The Municipality must—
  - (a) include in its annual budget the amount required for indigent subsidies in line with this policy.

- (b) increase such amount annually, based on the Equitable Share plus the amended rates and tariffs for the particular financial year, and credit it directly against the monthly services accounts of approved indigents.
- (c) ensure, through the Chief Financial Officer, that this policy and its associated plans fall within the Municipality's financial capacity and are integrated into the Municipality's financial planning and processes.

## 21 Communication

(1) The Marketing and Communication Section must—

- (a) within the framework of the Communication Strategy for the Indigent Management Programme, champion communication to inform the residents of Mogale City about the Programme.
- (b) market the indigent subsidy by way of flyers, advertisements in local newspapers, and on the Council's website; provided that the onus remains on account holders to apply for relief timeously, failing which the assistance ceases automatically.

## CHAPTER 8

### APPLICATION, VERIFICATION AND EXIT PROCEDURES

## 22 Formal Application Procedure

- (1) An applicant must complete an official indigent application form and submit the following original or certified documents—
- (a) a valid South African bar-coded identity document.
  - (b) the current municipal account, not older than three months.
  - (c) if unemployed, an affidavit declaring the household's economic status.
  - (d) a copy of a bank statement if the applicant is employed or self-employed.
  - (e) a letter of authority or executorship, where applicable.
  - (f) a power of attorney, (*where applicable, e.g. Incapacity or Ill Health, or Legal Guardianship Situations*).
  - (g) proof of receipt of pension for pensioners.
  - (h) a court order for foster parents of minor children.
  - (i) a divorce decree.
  - (j) a marriage certificate (where applicable).

(k) social worker investigation reports and recommendations related to minor children and people living with disabilities.

(2) The Municipality may require any other documents not listed to verify the application.

## **23 Deemed Indigent Verification Procedure**

The Municipality may register certain households as deemed indigent without requiring a formal individual application, where such households meet predefined qualification criteria approved by Council.

(a) The Municipality recognizes that households in informal settlements and other qualifying deemed indigent areas may not be able to provide the full range of documents required under the formal indigent application process.

(b) Accordingly, a verification-only process is implemented for Deemed Indigent households.

(c) No formal application form is required, eligibility is verified through municipal databases (if available), field validation, and standardized verification instruments, including external vetting to confirm identity number, property ownership and financial circumstances.

(d) Verification Instrument—Each Deemed Indigent household must be verified by means of a Deemed Indigent Verification Form, which serves as the minimum documentary evidence required for registration. The verification form must capture—

(i) household details (as available).

(ii) identity numbers, where obtainable.

(iii) physical location description (address).

(iv) confirmation of occupancy.

(v) income vulnerability indicators.

(vi) interviewee signature.

(vii) verifier's name, signature and date.

(e) If a Deemed Indigent beneficiary cannot be verified due to lack of cooperation, tenant occupancy, or unavailability of the owner, the municipal indigent official must record the address of the household, the date of verification and the reason for non-verification.

## 24 Assessment And Screening of Applicants

### (1) Property Verification and Site Visit-

- (a) The Indigent Management System must assign each application to a duly appointed Indigent Verification Officer for an on-site verification.
- (b) The Indigent Verification Officer must verify the registration application and complete a questionnaire that includes an inventory assessment.
- (c) The Indigent Verification Officer assesses the application and makes a site-visit recommendation based on the findings.
- (d) If the Indigent Verification Officer is denied access to the property or is unable to locate the applicant after three (3) site visits, the application is recommended for decline.

### (2) Electronic Verification

- (a) All applications received are subjected to external vetting through relevant government agencies and credit bureaus to verify eligibility.
- (b) Failure to comply with the verification and vetting process may result in the application being declined.

### (3) Outcome of Application

- (a) Approved application—The Indigent Management System must—
  - (i) update the system to reflect the indigent status approved.
  - (ii) together with the Financial Management System, indicate that the application has been approved.
  - (iii) send a notification (letter, SMS or email) to the applicant informing them of the indigent status, SMS notification is sent if the applicant has a valid cellphone number on the system.
- (b) Declined application—The Indigent Management System must—
  - (i) capture the application has declined with reason/s for decline.
  - (ii) send a notification (letter, SMS or email) to the applicant informing them of the disapproval; an SMS notification is sent if the applicant has a valid cellphone number on the system.

## **25 Exiting The Programme**

- (1) Members of households registered as indigent must be prepared to participate in exit programs coordinated by the Municipality in collaboration with other government departments and the private sector.
- (2) This requirement excludes pensioners and child-headed households.
- (3) The Municipality must priorities the indigent register when offering training and employment opportunities as a means of exiting the indigent programme.

## **CHAPTER 9**

### **APPEALS, REASSESSMENT OF DECLINE APPLICATIONS AND COMMENCEMENT**

#### **26 Right To Appeal**

- (1) An applicant who is the registered household owner residing within the municipal jurisdiction and who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal in terms of section 62 of the Local Government: Municipal Systems Act, 2000.
- (2) The Municipal Manager must appoint an Indigent Appeal Committee to consider all appeals.
- (3) The Municipal Manager must appoint the chairperson of the Indigent Appeal Committee, who must be a person vested in law within the City's employ.
- (4) The Indigent Appeal Committee must review, preside over and hear all lodged appeals within 30 working days, unless substantive facts have been provided to justify a longer period.
- (5) All appeals must be lodged in writing and must state the nature and reasons for the appeal.
- (6) Until the appeal is reviewed by the Indigent Appeals Committee, the indigent application remains pending and credit control actions are suspended.

#### **27 Right To Reassessment of Declined Applications**

- (1) An applicant whose application for indigent support has been declined and who believes that the decision was incorrect, unfair, or based on incomplete information may re-apply for reassessment.

- (2) Such re-assessment application must be submitted within twenty-one (21) calendar days from the date of receipt of the outcome of the original application.
- (3) The applicant must provide all required supporting documentation, including any additional or outstanding information that may materially affect the reassessment of the application.
- (4) The Municipality shall reassess the application based on the newly submitted information and in accordance with the provisions of this Policy.
- (5) Failure to submit the re-assessment request within the prescribed twenty-one (21) day period may result in the applicant being required to submit a new application, subject to all standard application procedures.

## **28 Short Title**

- (1) This policy is called the Indigent Management Policy of the Mogale City Local Municipality and takes effect from the date of its adoption by the Council.