

INDIGENT MANAGEMENT POLICY

"We are a department Hard at work"



**INDIGENT
MANAGEMENT
POLICY**

2025-2026



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INDIGENT MANAGEMENT POLICY

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. 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: -

3. PURPOSE

- ▶ To ensure and maintain access to basic services and/or benefits for all approved and deserving indigent households.
- ▶ To improve monitoring systems, provide support and to strengthen capacity of the Mogale City Local Municipality to implement the policy.
- ▶ To ensure that subsidisation for indigent support is funded and allocated as per policy directives to the qualifying households.
- ▶ To effectively manage co-ordination between internal and external departments with regard to the policy implementation.
- ▶ To link the members of the registered indigent households with the exit programs with the exclusion of the pensioners and child headed households.
- ▶ To ensure that the Mogale City Local Municipality remains financially sustainable while meeting the needs of the indigents.

4. OBJECTIVE OF POLICY

The objective of the Indigent Management Policy is to ensure: -

- (a) the provision of basic services to indigent households in communities falling under the jurisdiction of the Mogale City Local Municipality in a sustainable manner, within the financial and administrative capacity of the Mogale City Local Municipality.

- (b) the establishment of procedures and guidelines for the effective of subsidisation of basic service charges to such approved indigent households, within budgetary and Intergovernmental grant guidelines.

5. PRINCIPLES OF THE POLICY

Section 74 (2) (c) of the Municipal Systems Act, Act 32 of 2000 stipulates inter alia the following:

“poor households must have access to at least basic services through:

- (i) tariffs that cover only operating and maintenance costs;*
- (ii) special tariffs or life line tariffs for low levels of use or consumption of services for basic levels of service; or*
- (iii) any other direct or indirect method of subsidisation of tariffs for poor households;”*

The following are the guiding principles for the formulation of an Indigent Management Policy:

- (a) the Indigent Management Policy must be formulated in accordance with the Constitution of the Republic of South Africa, 1996, (Act No 108 of 1996 and other applicable legislation, amongst others, the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) which provides that everybody has a right to administrative justice that is lawful, reasonable and procedurally fair.
- (b) relief must be provided by the Mogale City Local Municipality to registered residential consumers of services who are indigent.
- (c) Council must, wherever possible, ensure that any relief is in accordance with the Constitution and is cost effective, sustainable, practical, fair, equitable and justifiable.
- (d) the subsidising of minimum service levels should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement.
- (e) differentiation must be made between those households who cannot afford to pay for basic services and those who do not want to pay for these services.
- (f) other municipal services in addition to free basic services should, where possible, be affordable and beneficial to the indigents.
- (g) the relief should be valid for a maximum period of 24months.
- (h) the Council may review and amend the qualification criteria for indigent support.
- (i) the joint gross income of all the household occupants will be taken into account in determining the validity of indigent support application.
- (k) the indigent database shall be updated regularly.
- (l) misuse of any support or supply of invalid information will lead to punitive action by Mogale City Local Municipality against indigent support beneficiaries.
- (m) the Mogale City Local Municipality reserve the right to verify new applications and existing approved indigents against any relevant external data source.
- (n) the Council may use external services and/or references to verify the information provided by the applicants.
- (o) Linking this policy with Poverty Alleviation, Economic Development initiatives, Gauteng Department of Social Development, etc.

6. DEFINITIONS

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:

“Authorised Officer”	:	means any official of the Council who has been authorised by the Council to administer, implement and enforce the provisions of this policy.
“Basic Services”	:	means the supply of the following basic services: <ul style="list-style-type: none">▶ Energy supply▶ Water supply▶ Sanitation services▶ Refuse removal service
Business	:	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. an undertaking or a business concern, whether formal or informal, which is engaged in the production of goods or provision of services; and (b) includes an entrepreneur; and (c) a small enterprise, a small enterprise organization and a co-operative
“Entrepreneur”	:	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.
“Business activities”	:	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.
“Calendar days”	:	means all days in the month inclusive of Saturdays and Sundays.
“Child Headed Households”	:	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

Vulnerable women"	refers to women who are at a heightened risk of harm, exploitation, discrimination, or marginalization due to various social, economic, legal, or personal factors.
"Municipal Manager"	: means the person appointed by the Council as the Municipal Manager of Mogale City Local Municipality in terms of Section 54A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) in South Africa and includes any person: <ul style="list-style-type: none"> (a) acting in such position, and (b) to whom the Municipal Manager has delegated a power, function or duty.
"Council"	: Means - <ul style="list-style-type: none"> (a) the municipal council of a municipality, which is the governing body responsible for the legislative and executive authority of the municipality.
"Deemed Indigent Household"	: 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.
"Dependant"	: 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.
"Essential household services"	: means provision of water supply, sanitation, refuse removal, supply of basic energy.
"Household Income"	: 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.
"Illegal connection"	: a connection to any system through which municipal services are provided, which is not authorised or approved by the Municipality or its authorised agent.
"Indigent Household"	: means individuals who live together in a single residential property and collectively qualifies for indigent relief in terms of this policy.
"Indigent Person"	: 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.

“Municipality”	:	means an organ of state within the local sphere of government that exercises legislative and executive authority within a specific geographical area.
“Occupier”	:	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.
“Pensioner”	:	means a person whom – (i) is at least 60 years of age on date of application.
“Registration method”	:	means registration process applied by Council in the indigent application process.
“Resident”	:	means a person residing within the area of jurisdiction of Mogale City Local Municipality and consume services as provided by the Council.
“Services”	:	means the “basic services” as defined above.
“Working Days”	:	means Monday to Friday excluding public holidays.
“Youth Headed household”	:	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.
“IPI MEC”		Refers to the Indigent Policy Implementation Management and Evaluation Committee.
Verification Officer”:		Refers to an official duly authorized by the municipality to assist with the physical verification of households that applied for indigent support.
“Short Term Assistance”		Refers to relief Short-term assistance refers to temporary relief provided to indigent households facing unforeseen financial distress
“Indigent Management System”		Refers to an electronic or any other system used by the Municipality to facilitates the identification, registration, assessment, and monitoring of indigent households to ensure they receive appropriate support.
“Poverty”		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.

7. LEGISLATIVE FRAMEWORK AND GUIDELINES

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

Addition:

- Local Government Municipal Systems Act, Act No 32 of 2000.

Guidelines

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

Policies

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

8. SCOPE OF POLICY APPLICATION

The Indigent Management Policy shall be applicable within the area of jurisdiction of the Mogale City Local Municipality.

The Indigent Support Programme must be accessible to all qualifying indigent persons.

9. CRITERIA FOR QUALIFICATION FOR INDIGENT SUPPORT

9.1 REGISTERED HOUSEHOLD

9.1.1 INDIGENT HOUSEHOLD

- (1) Indigent relief will be granted to an approved household where the –

- (a) The combined gross income of (the household) must be equivalent to or less than the highest of twice the government pension grants including two child support grants as prescribed by the Minister of Finance. The threshold calculation of the household will exclude support from family members not residing on the property and nonprofit organization (***up to a maximum of indigent threshold***). Rental income shall be calculated as an income and will be included in

the Indigent threshold, however, the salary of the tenant living on the Indigent applicant's property shall not be included as household income.

(i) Eligible applicants will include pensioners (provided their combined monthly household income is within the threshold), the unemployed and child-headed families who are unable to fully meet their obligations for payment of municipal services consumed and property rates on their monthly accounts. Employed people whose monthly income is below the above-mentioned threshold are also eligible to apply.

- (b) account in respect of Basic Services and/or Assessment rates is held with Council in the name of the applicant.
- (c) Applicant is a South African citizen or in possession of permanent residence with South African Identity.
- (d) The property is used for residential purposes
- (e) The applicant must reside on the property for which indigent status is applied for.
- (f) Information about both people appearing on the municipal account must be provided during application.
- (g) The party to whom the property is awarded in the event of a divorce; however, separated couples will not be treated as divorced and the income of both spouses will be included in the joint monthly household income for purposes of determining indigent status. In the event of joint ownership (e.g. 3 owners) where only one owner is staying at the property, the proof of income of all owners shall be included in the joint monthly household
- (h) Municipal value of property does not exceed maximum R1 500 000 as reflected in the valuation roll of the City.
- (i) The current account of a deceased estate may be subsidised if the surviving spouse or dependants who occupy the property applies for assistance. Relevant supporting documents must be submitted as part of the application.
- (j) Business, Vacant land, Agricultural land, Schools, drop-in centres, Children's home, are not catered under this policy.
- (k) Application by people with special needs may need supporting letter from municipal appointed social worker to support such application (on cases where applicant is unable to express his/her own views).
- (i) All South African Social Security Agency (SASSA) Grants will not be calculated as an income. However private pension will be calculated as an income.

9.1.2 CHILD-HEADED HOUSEHOLD/ YOUTH HEADED HOUSEHOLDS

Child-headed and or Youth headed households will be treated as special cases subject to the following conditions:

- (a) the normal qualifying criteria for indigent support in respect of remaining members of household is complied with.
- (b) The deceased parent's account will be closed subsequent to change of ownership.
- (c) The oldest child signs the user agreement assisted by appointed legal guardian in possession of "Letter of authority" issued by local magistrate court or Letter of executorship issued by the High court.
- (d) any person above the age of 18 who does not have a source of income, will have to apply for indigent assistance through submission of an application form.
- (e) property is not occupied by any member other than minor dependent children of deceased owner and or tenant and their Legal Guardian
- (f) the status of the household is reviewed in terms of this policy at least on 24 monthly bases

9.1.3 EXCLUSIONS – REGISTERED HOUSEHOLDS

- 1) Indigent relief will **NOT** be granted where the applicant, household, occupants/ residents and/or dependants residing on the property, as the case may be, -
- (a) receive significant benefits or regular monetary income that is above the indigent qualification threshold.
 - (b) where the applicant is not the registered consumer of services in the records of Council and does not have supporting document such as e.g. letter of authority or executorship.
 - (c) where the applicant own/s more than one (1) property, registered individually or jointly.
 - (d) where the applicant rent/s or subleases his property or part thereof to any third party and the monetary income is above the indigent qualification threshold during the duration of the grant period; or
 - (e) applicant tampers or illegally connects or reconnects services prior to this application, until such time as the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Council have been paid in full.
 - (f) business activities are being conducted on property and the income is above the indigent qualification threshold.
 - (g) should the applicant refuse entry to the property for verification purposes, the Indigent application will be declined.
 - (h) Property of and employees of any organ of state (national, provincial, local and or state-owned entities.

9.1.4. DEEMED INDIGENT HOUSEHOLD

- (1) Households within the following categories of properties will be deemed to be indigent households, if -:
- (a) the property is used for residential purposes only as reflected in General Valuation roll; and
 - (b) the residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property; and

- (c) The municipal value of property does not exceed maximum value R150 000 this applies to Government provided housing (RDP).
- (d) Households within Mogale City Local Municipality listed as/under Un-proclaimed Townships will be deemed to be indigent households, if:
 - (i) Individual properties identified as Un-proclaimed within Township is not registered at the Deeds Office.
 - (ii) Proclaimed property is registered in the name of Mogale City Local Municipality and included in general valuation roll.
 - (iii) Provisional value of individual developed residential property, as determined by Mogale City Local Municipality municipal valuer, will not exceed maximum value of R150 000 on date of valuation.
 - (iv) All informal settlements households (electrified or not) will be deemed to be indigents.
- (e) Mogale City Local Municipality registered informal settlements be registered as deemed indigent properties with linked services.
- (f) Mogale City Local Municipality Rental scheme tenants be registered as deemed indigent for individual registered metered services (water, sanitation and electricity) only.

9.1.4.1. EXCLUSIONS – DEEMED INDIGENT HOUSEHOLDS

- (1) Indigent relief will be withdrawn where upon verification the deemed indigent household, including occupants/residents and/or dependants residing on the property, as the case may be, -
 - (a) receive significant benefits or regular monetary income that is above the indigent qualification threshold.
 - (b) owner of property owns more than one (1) property, registered individually or jointly.
 - (c) owner of property rent or sublease his property or part thereof to any third party.
 - (d) deemed indigent household tampers or illegally connects or reconnects services.
 - (e) business activities are being conducted on property and the business turn over on monthly basis is greater than indigent threshold.
 - (f) properties registered in name of National, Provincial or Local Government
 - (g) owner of property applies to be excluded from deemed indigent relief.
 - (h) Property of and employees of any organ of state (national, provincial, local and or state-owned entities excluding Expanded Public Works Programme (EPWP), Community Works Programme (CW)Participants.

9.1.5. ELDERLY RESIDING IN COUNCIL OWNED PROPERTIES, PRIVATE RETIREMENT VILLAGES

- (a) Elderly people who rent municipal property will be subsidized on municipal services if they qualify in terms of the indigent management qualification criteria.

- (b) Indigent consumers living in private Retirement Villages are eligible to apply for indigent support in terms of this policy and:
- (i) It is upon the individual unit owner to apply to the Municipality for indigent support.
 - (ii) The applicant must be responsible for payment of Municipal services.
 - (iii) The representative of Board of Trustees or Managing Agent of such Private Retirement Villages must, in respect of monthly benefits allowed under indigent support ensure that such benefits are off set against the monthly levies of the relevant individual units. Such representatives also being required once every three months or at such intervals as may be determined by the Municipality to provide proof to the Chief Financial Officer that the monthly levies of indigent households which qualify for assistance have been adjusted.
 - (iv) The representative of Board of Trustees or Managing Agent of such Private Retirement Villages must state the rental amount charge to the approved indigents.

9.1.6. SPECIAL PROVISION FOR VULNERABLE WOMEN WITHOUT OWNERSHIP OR AUTHORITY DOCUMENTATION

9.1.6.1. In recognition of the socio-economic vulnerabilities faced by certain categories of residents, the Indigent Management Program shall include a conditional provision to extend support to **vulnerable women residing in properties they do not legally own and for which no formal letter of authority is available**, subject to the following stringent conditions:

(1) Eligibility Criteria:

- a) The applicant must be a South African citizen or permanent resident.
- b) The applicant must be a woman classified as vulnerable, defined as:
 - (i) A single female head of household with dependents; or
 - (ii) A survivor of domestic abuse (with proof from SAPS or a registered shelter); or
 - (iii) A woman over the age of 60 living without income or family support.
- c) The applicant must not have any ownership interest in any other property.
- d) The applicant must not be formally employed or must fall within the income threshold set for indigent support.

(2) Affidavit Requirement:

- (a) The applicant must submit a sworn affidavit attested by a Commissioner of Oaths confirming:
 - (i) Duration of residence at the current property (minimum of 12 consecutive months).
 - (ii) Absence of legal tenancy or ownership documentation.
 - (iii) Details of all household members and their sources of income (if any).

- (iv) Justification for the inability to obtain a letter of authority.

(3) Community Endorsement:

- (i) A written endorsement must be obtained from:
- (ii) The ward councillor, and
- (iii) A registered social worker detailed report certifying the applicant's vulnerability and residence.

(4) Property Owner Verification:

- (i) The Municipality will make all reasonable efforts to conduct verification from the legal owner of the property. Where the owner cannot be located or is deceased, this must be confirmed via a municipal investigation report.

(5) Site Inspection:

- (a) A municipal representative must conduct a physical site inspection to verify occupancy and need. The inspection report must confirm the absence of rental activity, commercial use, or subletting.

(6) Limitation:

- a) This clause shall not apply to any person living in informal rental arrangements, including "backyard dwellers," unless they meet all conditions outlined above and are not paying rent.

NB!!!!!!Disclaimer:

This provision does not in any way confer ownership rights, title, or permanent legal occupancy to the applicant. It is intended solely to facilitate access to basic municipal services for vulnerable women in exceptional circumstances.

10. EXTENT OF INDIGENT SUPPORT

10.1 REGISTERED INDIGENT HOUSEHOLD / PERSON

- (1) Indigent support will be given on a monthly basis, and the extent of the monthly support will be determined by the national policy guidelines and the Council's budgetary provisions in respect of:

Services	Indigent Service %	Deemed Indigent Service %
Property tax	100%	100%
Water	6kl	6kl or Water tankers or communal taps
Electricity	50KhW	50KhW/ FBAE will depend on municipal f
Refuse Removal	100%	100% /Include Skip bins in Informal Settle
Sanitation	100%	100% / Include VIP toilets
Historical Debt Write off	100%	

- (2) the relief will be subject to national policy guidelines and the Council's budgetary provisions.

- (3) the recipient's monthly account will be credited with the amount of indigent relief granted in terms of this policy.
- (4) a household may apply for the continuation of relief on expiry of relief period as specified in Section 11 below - subject to compliance with policy qualification criteria.
- (5) **Historical debt write-off**
 - (i) The historical debt accumulated arrears of approved indigent households will be written off before expiry of the indigent circle (24 months).
 - (ii) Approved indigent households may have their historical debt written off once during the indigent circle (24 months).
 - (iii) All levies more than the subsidy discounts are payable every month and any accrued debt after historical debt write-off will be subject to credit control and debt collection procedures.
 - (iv) The indigent households approved under (**Short-term assistance**) of this policy will not receive historical debt write-off but will only benefit from free basic services for a period of 12 months.

10.2 DEEMED INDIGENT HOUSEHOLD)

- (1) Indigent support will be given on a monthly basis, and the extent of the monthly support will be determined by the national policy guidelines and the Council's budgetary provisions in respect of:
 - (i) 6kl/free basic water.
 - (ii) 100% refuse collection.
 - (iii) 50KwH basic electricity
 - (iv) 100% basic sanitation.
 - (v) 100% property rates
- (2) the level of indigent support granted shall not exceed the actual monthly billing to the account in respect of the services referred to in the preceding paragraph.
- (3) the relief will be subject to national policy guidelines and the Council's budgetary provisions.
- (4) the recipient's monthly account will be credited with the amount of indigent relief granted in terms of this policy.

10.3. SHORT TERM ASSISTANCE "STA"

- (1) An Indigent household in temporary distress may be assisted for a period not exceeding for 12 months under the following circumstances:
 - (a) Temporary unemployment
 - (b) Hospitalization.
 - (c) Incarceration.
 - (d) Missing people.
 - (e) Traditional and Spiritual Initiation.

Indigent households falling into this category will be reassessed every twelve months. A legal declaratory document will be required from specific institution mentioned above such as medical declaration, letter from Department of Labour, letter from police, traditional healer/spiritual leader, or Correctional Services as proof of temporary distress.

11. RESPONSIBILITIES OF REGISTERED INDIGENT HOUSEHOLDS

- (1) To ensure the success of indigent assistance, the following should be observed by registered indigents:
 - (a) The registered indigent household must be willing to accept the installation of pre-paid electricity and water meters by the municipality.
 - (i) *Refusal to accept installation of these meters will result in the debt being re-instated and the indigency status being revoked.*
 - (b) The registered indigent household must be willing to accept technical assistance offered by the municipality to make his/her current monthly consumption of services affordable through limiting services.
 - (c) The registered indigent household is responsible for the payment of services should the monthly consumption exceed the allocated level of service provided by the Indigent Management Policy.
 - (d) Should the economic status of the registered indigent household change, the onus is on the household to inform the indigent management office immediately. It remains the responsibility of the indigent beneficiary to notify the municipality of any financial changes that affect their eligibility for assistance. Failure to do so constitutes a breach of this policy and may result in penalties, including the repayment of benefits received unlawfully.

12. PERIOD OF RELIEF

- (a) Application based Indigent relief is granted for a reviewable period of 24 months which is determined by Council from time to time.
- (b) Deemed indigent household relief is granted based on value of property in this case RDP houses.

13. UNDER-USAGE OF ALLOCATION

- (1) If the level of consumption of the Indigent household is less than the consumption level approved by the Municipality under clause 10.1. (1) of this policy, the household cannot claim or accrue the unused portion of the benefit, be it in cash or rebates.

14. EXCESS USAGE OF ALLOCATION

- (a) If the level of consumption of the Indigent household exceeds the consumption level approved by the Municipality under clause 10.1 (1) of this policy, the household will be obliged to pay for the excess consumption monthly.
- (b) Accounts of indigent beneficiaries that are not settled monthly will be subject to Credit Control measures that might affect the free basic services.

15. TERMINATION OF INDIGENT SUPPORT

- (1) Indigent support will be terminated under the following circumstances:
- (a) Refusal by indigent households to accept installation of pre-paid meters after registration will lead to re- instatement of the debt and revoking of indigent status.
 - (b) Death of an account holder/s,
 - (c) Beneficiaries who fail to re-apply for indigent support after expiry date of 24 months will be automatically terminated from indigent support and credit control measures will apply.
 - (d) During sale of the property.
 - (e) Approved indigent households who sell their property within 24 months cycle after receiving write off shall be subjected to reversal of the debt within that cycle only.
 - (f) When circumstances in the Indigent household have improved and their gross income exceeds the stipulated threshold. It remains the responsibility of the indigent beneficiary to notify the municipality of any financial changes that affect their eligibility for assistance. Failure to do so constitutes a breach of this policy and may result in penalties, including the repayment of benefits received unlawfully.
 - (g) Relief will be stopped with immediate effect if it is found that an approved indigent has supplied information known to have been untrue in order to obtain relief

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.

16. ADMINISTRATION OF INDIGENT SUPPORT

- (1) The applying citizen must present his/her Identity Document at the point of application for which the following steps will occur: -
- (a) if registered owner, property details to be supplied with copy of monthly account statement and / or prepaid meter token along with SAPS certified affidavit of names and identity number of individual residing on property.
 - (b) Letter of Authority from the local magistrate, Letter of Executorship from High court (*this shall in no means mean that property is given to the applicant, this serves to assist household to access indigent while expediting winding-up of the deceased estate*).
 - (c) after the application form has been completed, an effective and efficient evaluation system must be used to verify the information furnished by the applicant and to reach a decision within 90 days after the date on which the application was lodged. Any applicant not found after three sites verification will be disapproved.
 - (d) if a household is found to be indigent, his/her personal particulars must be registered on a database linked to the debtor's system with immediate effect.
 - (e) the onus is on the recipient of relief in terms of this policy to inform the Council of any change in his/her status or personal household circumstances.
 - (f) All approved indigents must re-apply three (03) months before the expiry dates of the 24 months circle from the date on which relief was authorized in order to assess the need for the continuation of relief in terms of this policy.
 - (g) In the event where the socio-economic status of the household is improved beyond the indigent threshold the applicant has a responsibility to apply for cancellation of the indigent status as prescribed.
 - (h) In an instance a Business (Tuck-shops) is operating, applicant will have to provide financial turnover including personal and business bank statements of the business or lease agreement from the tuck-shop owner/operator, affidavits only accepted as supporting documents to financial turnover statements.

- (i) Taxi owners/operators are to provide personal and business bank statements and proof of payment for driver salaries.
- (j) Bonded property owners who apply for indigent should provide supporting documentation that quantify their payment history with the bond financing institution, showing amount paid to the bond and any other arrangement made with the finance institution.
 - (i) The bond payment and other household income should not exceed the income threshold as state in section 9.1.1. (1) (a) above.
- (k) Relief will be stopped with immediate effect if it is found that an approved indigent has supplied information known to have been untrue in order to obtain relief.
- (l) It will further be stopped if it is discovered that an approved indigent failed to inform Mogale City Local Municipality of changes in his/her/their financial circumstances which would disqualify them from receiving assistance in terms of this policy. 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.
- (m) Providing misleading information constitutes fraud and Mogale City Local Municipality may claim any financial benefits that have been granted, from the indigent. In addition to having to repay the financial benefits, the indigent who has received the benefits will be guilty of committing an act of fraud which is a criminal offence, and criminal charges may be brought against such person/s.
- (n) Indigent to indigent transfer should be exempted from paying clearance fees, finance Department should request Social Development Division to appoint a Social Worker to provide a detailed report, of beneficiary who is a recipient of the property and must provide necessary legal papers that prove that he/she is the recipient of the property and should not have any property under their name.

17. 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 for granting such relief to such a person.
- (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 as an indigent, sells the registered property, will automatically be disqualified from indigent support, and the indigent relief will be revoked.
- (4) Child headed household will be exempted from 17. (3). above to allow guardian to assist children within the child headed household to register property in their names and the following will be required-:
 - (ii) social workers report and court order for guardianship will have to be submitted
 - (iii) the conveyancing institution or organisation shall write a letter of request with a clear explanation of the purpose for change of ownership.
 - (iv) the children's court commissioner's noting letter of support for changes will be required
 - (v) change of ownership support report by municipal appointed social worker will be forwarded from City's Social Development to Finance Department in support of conveyancing agency property clearance application.

18. CORRECTIVE STEPS

- (1) If the extent of the indigent support as per Section 10 above is exceeded the following must be implemented, all registered indigents must be:
 - (a) Installed a **Pre-paid Electrical Meter**.
 - (b) Installed a Water **Flow** restrictor
 - (c) Surcharges Over and above the implementation of the Credit Policy will be applicable

19. ACTION AGAINST MALPRACTICES TO MISREPRESENTATION OR MISUSE

- (1) Customers found to have misrepresented themselves in order to benefit from any of the Councils relief and / or benefit in terms of this policy, will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Council from time to time, and all relief and / or benefits that have been received will be reversed to account of customer from date of offence.
- (2) the Council may refer any misrepresentation to the indigent appeals committee who must take such action as ordered by the Council, or any of the following steps deemed appropriate by the Committee:-
 - (i) request the resident to provide full proof of his/her banking account, receipt of income details as well as pension registration where applicable.
 - (ii) the details of the objector shall remain anonymous.
 - (iii) request a social worker's report on the household, and
 - (iv) institute criminal proceedings against the recipient.
- (3) if it is established that incorrect information was furnished in obtaining 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/her account.
 - (iii) apply the credit control and debt collection procedures of the municipality.
 - (iv) institute criminal proceedings against the recipient.
- (4) In the event that applicant or deemed indigent tampers or illegally connects or reconnects services prior to or during approved indigent period, all approved rebates will be reversed to account for period not exceeding three years and total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Council have to be paid in full
- (5) Penalty fees as stipulated in the Mogale City Local Municipality's approved tariffs schedules will be applicable to customers found to have tampered, or illegally connects or reconnects services.

20. REPORTING AND QUALITY MANAGEMENT

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

21. ACCESS TO INFORMATION ON THE REGISTER BY PUBLIC

- (1) A register of indigent beneficiaries must be maintained; however, the human dignity of applicants must also be protected.

- (2) An indigents register may be made available to the public, subject to the Promotion of Access to Information Act.
- (3) Written objections from the public must be referred to the Department of Community Development Services who will be responsible for forwarding the complaints to the appeal committee for consideration.

22. BUDGETING FOR INDIGENT SUPPORT

- (1) The Municipality shall:
 - (a) Include in its annual budget the amount required for Indigent subsidies in line with the respective Policy.
 - (b) Such amount shall be increased annually, based on the Equitable Share plus the amended rates and tariffs for the particular financial year, and credited directly against the monthly services accounts of approved indigents.
 - (c) The CFO will need to ensure that the indigent policy and its associated plans fall within the Municipality's financial capacity, and that the plans and policy are integrated within the municipality's own financial planning and processes

23. COMMUNICATION

- (1) The Marketing and Communication Section will:
 - (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) Mogale City Local Municipality will market the indigent subsidy by way of flyers, advertisements in the local newspaper and on Council's website but the onus is on account holders to re-apply for relief timeously, failing which the assistance will cease automatically.

24. APPLICATION/REGISTRATION PROCEDURE

- (1) An applicant must:
 - (a) complete an official indigent application form supported by the following original/certified documents:
 - (i) South African valid bar-coded Identity Document
 - (ii) The current Municipal account is not older than 3 months.
 - (iii) If unemployed an affidavit by the applicant declaring his/her household economic status.
 - (iv) Copy of a Bank statement where an applicant is employed or self-employed.
 - (v) A letter of authority/Executor where applicable.
 - (vi) Power of Attorney letters where applicable.
 - (vii) Proof of receipt of Pension for pensioners.
 - (viii) Court order for foster parent/s of minor children
 - (ix) Divorce decree
 - (x) Marriage Certificate (where applicable)
 - (xi) Social Workers investigate reports and recommendations related to minor children and people living with disabilities.

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

24.1. Assessment & Screening of Indigent Applicants

(1) Property Verification

(a) Verification – Site Visit

- (i) The **Indigent Management System** must assign each application to a duly appointed **Indigent Verification Officer** for an on-site verification.
- (ii) The **Indigent Verification Officer** must verify the registration application and complete a **questionnaire** that includes an inventory assessment.
- (iii) The **Indigent Verification Officer** will assess the application and make a site visit recommendation based on the findings.
- (iv) 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 will be recommended for **decline**.

(2) Electronic Verification

(a) External Vetting

- (i) All received applications will be subjected to **external vetting** through relevant **government agencies** and **credit bureaus** to verify eligibility.

(b) Outcome

In the event of a successful application, the Indigent Management System will:

- (a) Update to show the approved indigent status.
- (b) The Indigent Management System together with the Financial Management system should indicate that the application has been approved and a notification through
 - (i) A letter/SMS/ Email should be sent to the applicant informing them of approval of their application. (SMS) notification will be sent to the applicant with valid cellphone number on the system.

If the application is declined, it Must:

- (ii) Be captured as such in the Indigent Management System, and a notification through
- (iii) A letter/SMS/ Email should be sent to the applicant informing them of disapproval of their application. (SMS) notification will be sent to the applicant with valid cellphone number on the system

25. EXITING THE PROGRAMME

- (1) Members of households registered as indigent should be prepared to participate in exit programmes coordinated by the Municipality in collaboration with other Government Departments and the Private Sector.
- (2) The expectation of this clause excludes pensioners and child headed households.
- (3) MCLM must prioritize indigent register when it comes to training and employment opportunities as a way of exiting the indigents.

26. RIGHT TO APPEAL

- (a) An applicant who is the registered household owner living within the municipal jurisdiction and therefore feels aggrieved by a decision taken in respect of his/her application may lodge an appeal in terms of section 62 of the Municipal Systems, Act 32 of 2000.
- (b) The Municipal Manager shall appoint an Indigent Appeal Committee that will consider all appeals.
- (c) The Municipal Manager must appoint the chairperson of the Indigent Appeal Committee to be a person vested in Law City's employ.
- (d) The Indigent Appeal Committee will have to review, preside and or hear all lodged appeals within 30 working days, unless substantive facts have been provided contrary to this stipulation.
- (e) All Appeals shall be lodged in a form prescribed by the Social Development Division and state the nature and reasons for appeal.
- (f) Until reviewed by Indigent Appeals Committee, indigent application will remain pending and credit control actions will be suspended until appeal has been evaluated by Indigent Appeals committee

27. SHORT TITLE

This policy shall be called the Indigent Management Policy of the Mogale City Local Municipality.

