

ELIAS MOTSOALEDI LOCAL MUNICIPALITY



Indigent Policy

Original Council Approval		Amended
Date of Council Approval	29 May 2025	
Resolution Number	M24/25-54	
Effective Date	1 July 2025	

1 DEFINITIONS

Municipality: Elias Motsoaledi Local Municipality

Basic Municipal Service: Means municipal services that are necessary to ensure an acceptable and reasonable quality of life, if not provided would endanger public health or safety of the environment.

Department: Means the Departments: Community Services, Financial Services, Infrastructure Services, Strategic and Developmental Planning Services of EMLM that have been tasked with managing the Indigent Support Programme.

Free Basic Services: The monthly services that shall be supplied free of charge to an Indigent Household as resolved by Municipal Council from time to time currently including:

- 50 Kw/h of electricity when less than 150 Kw/h is utilized per month
- Free basic Refuse Removal Services □ Assessment Rates

The provision of the above services shall be applicable where EMLM is the provider of such services and signed SLA with institutions such as ESKOM, SDM. etc

The cost of the services so provided shall be computed according to tariffs accepted by Council during the budgeting process.

Household: Household is a registered owner, occupier or tenant. Should a group of people live together, even if not related, they will be regarded as one household linked to one Municipal Account.

Indigent:

Any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times government pension grants as per prescribed by the Department of Health and Social Development or in line with the National Indigence Framework issued by the Department of local Government (DLG), who qualify, according to the Policy, for rebates/remissions or a service subsidy. Examples hereof include pensioners, the unemployed and child-headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts. Any other Government grant received by such households will not be considered as an additional income.

Indigent Management System An electronic or any other management system used by the Municipality for the management of the Indigent Register.

Poverty:

Poverty is defined within the context of a poverty datum line. For purpose of the Municipality, poverty is defined within the context of an Indigent Household

Programme Officer:

An Official duly authorized by the Municipality, or an employee of a service provider appointed by the Municipality, who is responsible for assessment, screening and the site visits, and for recommending applicants for approval/disapproval of indigent support

Tenant:

Registered occupant of a property owned by the Municipality, or an individual/family sharing the same property with the legal owner, who may or may not be related to the owner, and who has the responsibility to pay for the Municipal Services consumed.

Occupier:

A person who lives on land which does not belong him/her and who has permission from the owner to be there on or after the 4th February 1997 (ESTA Act 62, 1997).

Vulnerable Person:	Means a consumer occupying land legally and with the consent of the owner, but to which the consumer does not have title; or over which the consumer does not hold a lease providing security of tenure.
Stakeholders:	A committee that comprises of relevant councillors, relevant ward committee members, staff and/or service provider, whose function is to assist with collection of data, capturing of such collected data, assessment and making recommendations.
Indigent Committee:	It is a committee that comprises of EXCO members for Community, Finance and Infrastructure and relevant officials, whose function is to approve, implement, manage and evaluate the Indigent registration process.
Verification Officer:	An official duly authorized by the Municipality, or an employee of a Service Provider appointed by the Municipality, to assist with the management of Indigents, Indigent applications, verification and oversight over the Indigent management process.
Short Term Assistance:	Given to a person who is temporarily unemployed or hospitalized without income or receives income that defines him/her as indigent for a period to be reviewed every six months.

2. PURPOSE OF THIS POLICY

The purpose of the Policy is to provide a Framework and structure to support poverty within the Municipality by providing a support programme for the subsidization of basic services to indigent households.

3. THE POLICY OBJECTIVES

The objectives of this Policy will be to ensure the following:

- i. The provision of basic services to the approved indigent/vulnerable members of community in a sustainable manner within the financial and administrative capacity of the Municipality.
- ii. Establish the framework of the identification and management of indigent households including an economic rehabilitation plan where possible.
- iii. The provision of procedures and guidelines for the subsidization of basic services.

4. LEGISLATIVE FRAMEWORK

The Policy is based on the following legislative:

- i. South African Constitution Act, (Act no.108 of 1996), in particular Section 152, d 195
- ii. Municipal Systems Act, (Act 32 of 2000), in particular Section 4,5 and 6.
- iii. Municipal Property Rates Act, (Act 26 of 2004)
- iv. Credit Control and Debt Collection Policy.

Any other relevant Policy or by law as may be passed/amended by Council from time to time.

5 QUALIFICATION CRITERIA

Persons who are claiming indigent status (i.e. an inability to pay assessment rates and service accounts in full) must qualify in terms of the following:

- a. Applicant must be a South African citizen
- b. Must have a valid South African Identification Document or any other acceptable proof of South African citizenship
- c. Must be the owner, tenant, occupier/vulnerable person who receive Municipal services.
- d. An indigent may only derive benefit from one property.
- e. An occupier/vulnerable person must have secured the permission for occupancy from the owner.
- f. Gross monthly Income equivalent to two Pensioner's Social Grants
- g. Child-Headed Family without any source of income

6 ASSISTANCE PROCEDURES

6.1 Communication

Ensure that communication plan is developed and that details of the Indigent Policy are communicated in an early understandable manner to the community served by the Municipality

6.2 Application/Registration

An applicant must complete an official/Indigent support application form supported by the following original/certified documents:

- i. Identity Document or Birth certificate
- ii. Current Municipal Account (where applicable)
- iii. If unemployed an affidavit declaring lack of proof of income.
- iv. Copy of a Bank Statement (where applicable)
- v. Proof of income /grant received (letter from SASSA)
- vi. Proof of resident or the letter of authority from tradition leader (where applicable).

The signing of the Indigent application form, if approved, will entitle the applicant to an allocation of free basic services as defined in this Strategy.

N.B.As part of the application,

6.3 Assessment and Screening of Applicants

The application/registration process, all information must be verified by the Indigent Officer or any person agent appointed by the Municipality. The relevant ward councilor must be involved during the evaluation process and must verify the application together with the officials and local community leaders or ward committee members appointed by council in this regard.

(a) Indigent Management System Check

The information on the Municipality's Indigent Management System must be checked to determine whether an applicant is already registered within the system as well as to determine dates when these existing applications should be reviewed.

(b) Data Capturing

The Indigent registration data must be captured in an Indigent Management System as per the application forms or as automatically identified on the Municipality's Financial System. The record must then be flagged in the system as being an "application in progress".

6.4. Recommendation

Once the verification has been completed, the Indigent Management System must generate a recommendation based on the information captured in the data base. Those applications that qualify for Indigent support will then be included in the indigent register.

Monitoring

- i. Ongoing monitoring of the execution of the Policy so as to determine its effectiveness and efficiency.
- ii. Inputs from various affected stake holders inclusive of Councilors, Ward Committee Members and affected admin officials will assist in the monitoring process of the Policy implementation.

Quality Management

- i. Management of quality of the current basic services as defined in the Policy
- ii. Systems and processes of reporting, monitoring and reviewing the Policy

Reporting

- i. All information captured during monitoring and quality assessment period of this Policy

Review

- i. In line with the information that would have been collected during the monitoring, quality assessment, evaluating and reporting.

7. FREE BASIC SERVICES

Free basic Services for Indigents would be incorporated in the following Council documents:

- a) Credit Control and Debt Collection Policy
- b) Subsidized rates – as per Municipal Property Rates Act.
- c) Free Basic Electricity
- d) Free Basic Refuse Removal Services

8. REPORTING AND QUALITY MANAGEMENT

Quarterly reports shall be submitted by the Finance Department with financial cost implications to Council on progress made regarding administration of the Indigent registration progress.

Reports should report on costs, quality, effectiveness of the system processes, time frames for registration of applications and review of approvals.

9. EXTENT OF INDIGENT SUPPORT

The extent of the Indigent support granted by Council to indigent households in the Municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges for that specific financial year as adjusted in the budgetary process.

- i. Maximum of 50 Kw/h of electricity.
- ii. Credit towards monthly refuse collection charges.
- iii. A credit towards assessment rates on residential property.

The subsidy for the above should be in line with the Municipality's tariffs which will change from time to time as tariffs increase.

The following forms of assistance could also be given to indigent households:

- a) The accounts of successful applicants, for those who qualified, should be flagged to prevent credit control measures.
- b) No interest should be charged on arrears.

10. WRITE OFF DEBT

In a case where indigent met the requirement set out in this policy any monies owe to the Municipality may be written off by the Council.

11. INDIGENT PROCESS MANAGEMENT

11.1 Validity Period

Validity period of assistance will be for a maximum period of 24 months from date in which the applicant started benefiting. Households must re-apply at the end of the such period.

11.2 Death of Registered Applicant

In the event that the approved applicant passes away, the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are complied with. Where households qualified automatically, benefits of indigent households will be automatically passed on to the heirs of the deceased.

11.3 Consumption

In the case of consumption of the Indigent household is less than the consumption level approved by the Municipality, the household cannot claim or accrue the unused portion of the benefit, be it in cash or rebates.

11.4 Excess Usage of Allocation

If the level of consumption of the indigent household exceeds the consumption level approved by the Municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Accounts not settled on a monthly basis will be subject to Credit Control measures.

In areas where metered consumption is billed, the applicant will be responsible to pay for electricity usage exceeding free 50 kw/h.

11.5 Termination of Indigent Support

Indigent support will be terminated under the following circumstances:

- a) Death of an account holder, except if the account is transferred to an heir who qualifies in terms of the Criteria outlined in this Policy
- b) At the end of the 24 months cycle, except in the case of pensioners and child headed households.
- c) Upon sale of the property
- d) When circumstances in the Indigent household have improved in terms of a gross income of or exceeding the combined income of two government pension grants, except child/disability grants received.

12. NON-COMPLIANCE

If the applicant is found to have falsely disclosed about his/her personal circumstances, the following will apply:

- a) All arrears will become payable immediately
- b) Stringent credit control measures will apply; and
- c) The applicant will not be eligible to apply for this assistance for a period of 5 years.

13. AUDITING

A three monthly auditing must be conducted regarding the Indigent register, usage rate of allocations and credit control measures applied.

MISCELLANEOUS

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

Exit Programme

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. The expectation of this clause excludes pensioners and child-headed households.

The Municipality shall include in its annual budget the amount required for Indigent subsidies in line with the respective Policy and By-laws. Such amounts 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.