



FINAL INDIGENT SUPPORT POLICY

Financial year of 2025-2026

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 Support 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 which considers health and environmental considerations.

NOW THEREFORE the Council of uThukela District Municipality has adopted the Indigent Support Policy set out hereunder:

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Accounting Officer	Means the Accounting Officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, No. 117 of 1998, and being the head of administration and Accounting Officer in terms of section 55 of the Local Government: Municipal Systems Act 2000, No 32 of 2000.
Approved Registration Point	Premises approved and publicised by the municipality as places where people can register.
Basic Municipal Services	Municipal services that are necessary to ensure an acceptable and reasonable quality of life and, if not provided, could endanger public health or safety of the environment.
Child-headed household	Means a household recognized as such in terms of section 137 of the Children's Amendment Act, 41 of 2007
Directorate	
Free Basic Services	The quantity of services that shall be supplied free of charge to an indigent household, amounting of 6 kl of water per month, and sanitation services, subsidized at 100% per month.
Household	A registered owner with children who live in the same premises with parents
Indigent	Any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less R7000 (Seven thousand rand) who qualify, according to the policy, for rebates/remissions or a services 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 grants received by such households will not be considered as additional income.
Indigent Management System	An electronic management system used by uThukela District Municipality for the management of the Indigent Registration and maintenance of the Indigent register.
Municipality	Means the municipality of UDM, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorized agent or any employee acting in connection with this by-policy by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

Occupier	<p>means the person who controls and resides on or controls and otherwise uses immovable property, provided that -</p> <p>(a) the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;</p> <p>(b) where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;</p>
Owner	<p>in relation to immovable property, means -</p> <p>(a) the person in whom is vested the legal title thereto provided that -</p> <ol style="list-style-type: none"> i. the lessee of immovable property which is leased for a period of not less than 5 years, whether the lease is registered or not, shall be deemed to be the owner thereof; and ii. the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof; <p>(b) if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;</p> <p>(c) if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or</p> <p>(d) if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;</p>
Poverty	<p>Poverty is defined within the context of a poverty line. Poverty lines vary according to the size and composition of individual households. The poverty line of two adults and three children is approximately R840. For purposes of uThukela District Municipality (UDM), poverty is defined within the context of an Indigent household.</p>

Programme Officer	An official duly authorised by UDM, or an employee of a service provider appointed by the Municipality, who is responsible to ensure that an assessment, screening and site visits are undertaken and for recommending applicants for approval to receive indigent support.
Rates	means any tax, duty or levy imposed on property by the Council;
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 their own Municipal Services.
Verification Officer	An official duly authorised by the Municipality, or an employee of a Service Provider appointed by the Municipality, to assist with the management of Indigents, to visit households and verify the applicant's application and to recommend that the applicants is either a suitable or not a suitable candidate for approval to receive indigent support.

1. Purpose of the policy

The objectives of the Indigent Support Policy are to:

- 1.1 Determine the nature and extent of provision of free basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council.
- 1.2 Provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using the Council's budgetary provisions received from Central Government, according to prescribed policy guidelines.
- 1.3 Council also recognises that many residents can simply not afford the cost of full provision and for this reason the Council will endeavour to ensure affordability through:
 - i) Setting tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery.
 - ii) Determining appropriate service levels.
- 1.4 The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1)(b) and 153(b) of the Constitution.
- 1.5 Basic services are generally regarded as to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads.

2. Legislative framework

The policy is based on the following legislation and guidelines:

- The Constitution of the Republic of South Africa Act, Act No. 108 of 1996 (Section 27)
- Municipal Systems Act, Act No. 32 of 2000.
- Municipal Finance Management Act, Act No. 56 of 2003
- Guidelines
 - National framework for Municipal Indigent Policies (Department of Co-operative Governance and Traditional Affairs)

This Policy shall be applicable to the services provided or delivered by the Municipality and shall also be applied by an agent, contractor or other form of municipal service provider acting on behalf of the Municipality in terms of an agreement.

3. Application of the policy

- 3.1 The subsidies on rates and the specified service charges will be determined as of each annual budget and in terms of the municipality's policies on tariffs.
- 3.2 In respect of water, a 100% subsidy up to 6kl per household per month will apply. However, if consumption exceeds 6kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6kl.
- 3.3 In respect of sewerage charges, the relief granted shall be 100% to the monthly amount billed for the service concerned.

4. Qualification criteria

Qualification criteria for indigent support shall be determined by the municipality from time to time, provided that until UDM determines otherwise, the following criteria shall apply:

- 4.1 The applicants must be a resident within UDM area.
- 4.2. The applicants must be in possession of a valid South African identity document.
- 4.3 A tenant can apply for the benefits in respect of the charges he/she is billed for and the landlord will still be liable for all ownership related charges such as rates {we request that this statement be removed}
- 4.4 Households where verified total gross monthly income of all occupants over 18 years of age does not exceed R7000 or such other amount as the council may from time to time determine.
- 4.5 The approved applicant qualifies for 100% subsidy on service charges for sewerage, and will receive 6kl of water per month free of charge.
- 4.6 Only households where the accountholder or property owner has registered as indigent in terms of the municipality's registration programme, and whose registration has been accepted and entered into the register of Indigents shall qualify for the above concessions.
- 4.7 For a household to qualify for subsidies or rebates on the major service charges, the registered indigent must be the full-time occupant of the property concerned.
- 4.8 Indigent relief shall apply for a period not extending beyond the financial year in which the circular household is registered as indigent. Registration must be renewed in each registration programme if relief is to continue.
- 4.9 To register as an Indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies.

- 4.10 The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.
- 4.11 Registration will take place on dates and at times and places determined by the council.
- 4.12 Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers will not be recovered from such customers if they are approved as indigent. They shall be considered for write off as approved by council.
- 4.13 Registered indigents will not be allowed to sell property for a period of five years after write off has been done and if that happens within five years all amount written off will be reversed and payable immediately.
- 4.14 UTDM may collaborate with local municipalities and accept indigents approved by local municipalities, where their criteria is similar or will largely achieve similar results.

5. Application for indigent support

- 5.1 A person applying for indigent support must complete a formal indigent support application form approved by the municipality.
- 5.2 Such form will be available at approved registration points provided by the municipality.
- 5.3 The applicant must consent to the installation of any form of pre-paid meters as a system to limit the consumption of services and to abate the accumulation of debt
- 5.4 Applicants must provide the following information:
- 5.4.1 Certified copy of the identity document.
 - 5.4.2 Proof of residence from Ward Councillor.
 - 5.4.3 Municipal Account for urban areas.
 - 5.4.4 3 Months Bank Statement.
 - 5.4.5 Proof that the applicant is a pensioner (if applicable).
 - 5.4.6 Proof of income of the household is R7000 or less or Affidavit that the applicant is unemployed and proof of unemployment from Department of Labour.
 - 5.4.7 Proof that the application is for a child headed household:
 - 5.4.7.1 Death certificate of parents
 - 5.4.7.2 Municipal account

- 5.4.7.3 Letter from Social Worker
- 5.4.7.4 Letter of authority /appointment letter
- 5.4.7.5 Letter of acceptance from the institution when you are a student.

6 Non-compliance by households registered as indigent

- 6.1 When a property owner or accountholder who has registered as an Indigent fails to comply with any arrangements or conditions materially relevant to the receipt of Indigent relief, such person will forfeit his or her status as a registered Indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.
- 6.2 The onus is on each registered Indigent to advise the municipal manager in writing of such failure to comply.
- 6.3 It may happen that even with the introduction of the Indigent policy, certain households may fall into arrears in respect of the amounts due by them. When that happens, the property owner or accountholder concerned will have to make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time determined by the municipal manager in terms of the municipality's credit control and debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection policy.
- 6.4 The relief to indigents may be withdrawn at the discretion of the municipal manager if:
 - 6.4.1 A registered Indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
 - 6.4.2 Circumstances of the beneficiary changed and he/ she is no longer indigent.
 - 6.4.3 The beneficiary is found to have provided false information to the municipality.
 - 6.4.4 Any tampering with the installations of the meter of the municipality is detected.
 - 6.4.5 Services are consumed excessively.
 - 6.4.6 The beneficiaries uses the municipal services to make income.
- 6.5 Indigent support will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.
- 6.6 The indigent status of a consumer will be reviewed yearly, or at intervals as determined by Council. This could be done by either physical audit or external verification check (ITC

– Credit Bureau). Should the requirements not be met, the subsidy for that consumer will be cancelled.

7 Monitoring and review of indigents

- 7.1 In order to apply this policy in a sound manner, the municipality shall identify, through the billing system, units consumed and above the free basic level and ensure these are billed and that payments are made in compliance with credit control policy and debt collection policy.
- 7.2 Half yearly verification of indigents, based on a random sample of 30% of the registered indigents, shall be performed to ensure accuracy of the indigent database.

8 Exit mechanism

- 8.1 Indigent customers may not refuse to participate in a municipal programme that will exit them from indigent support, unless a customer has a better option than the municipality's.
- 8.2 Members of households registered as indigent must be prepared to participate in exit programmes co-ordinated by the Municipality in collaboration with other government departments and the private sector.
- 8.3 As part of its broader poverty reduction programme the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development (LED) initiatives and in the implementation of integrated development programmes where possible.

9 Penalties and disqualification for false information

- 9.1 If a registered Indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an Indigent, such person shall immediately be removed from the register of Indigents, and shall be liable to repay to the municipality with immediate effect all indigent relief received from the date of such fraudulent registration.
- 9.2 Such person may not again be considered for indigent relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.

10 Exclusions and special conditions

- 10.1 The following categories of property owners do not qualify for the Municipality's indigent subsidy programme:
- 10.1.1 Businesses (formal or informal)
 - 10.1.2 Consumers staying in backrooms
 - 10.1.3 Consumers who have tenant(s) in their yards
 - 10.1.4 An owner owning more than one property will not qualify for indigent support irrespective of where the properties are situated {Khona will assist in this bulletin}
 - 10.1.5 Any household which does not meet the qualification criteria set out in this policy.
- 10.2 Consumers who have tampered with the municipality's metering systems in the financial year concerned are excluded for consideration for indigent support for a period of 5 years.

11 Right to appeal

- 11.1 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.

12 Validity and expiry of benefits

12.1 Validity period

Validity period of assistance will be for a maximum period of 12 months. Households must re-apply at the end of a 12 months period.

12.2 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 met.

12.3 Publication of Register of Indigent Households

Names of indigent beneficiaries must be open for public perusal and comment.

Written objections from the public may be referred to the Indigent Officer who will be responsible for investigating the validity of the complaint and referral to the Indigent Committee for appropriate action.

12.4 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. Such accounts will be subject to the municipality's credit control and debt collection measures.

12.5 Termination of Indigent Support

Indigent Support will be terminated under the following circumstances:

12.5.1 Death of the account-holder.

12.5.2 End of the 12 months cycle. Except in the case of pensioners and child-headed households, indigents should re-apply for indigent support.

12.5.3 Upon the sale of property.

12.5.4 When circumstances in the indigent household have improved in terms of a gross income the limit of the Indigent support programme as set out in this policy.

12.6 Audit and review

The municipality will conduct an audit of the indigent register on a 6-month basis with regard to the information furnished by applicants and possible changes in status, the usage of allocations and debt collection measures applied.

13 Communication and Indigent Assistant Committees

13.1 Communication Strategy

13.1.1 The municipality will develop and embark on an extensive community communications programme aimed at informing communities of the contents of this policy, implementation and their duty to pay services charges where free basic services are exceeded

13.1.2 Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general.

13.2 Indigent Assistant Committees within Ward Committees

13.2.1 Indigent Assistance Committees per ward must be nominated annually and submitted to the Council for approval for appointment via the Indigent Clerk. A Ward Indigent Assistance Committee consists of three nominated members from the ward and the Ward Councilor, acting in a monitoring role only.

13.2.2 Indigent Assistance Committees must meet regularly, but at least once per month.

13.2.3 The Indigent Assistance Committee must consider each recommended application; assess it in terms of the application and any other knowledge or information which members may have in respect of the applicant.

13.2.4 Recommendations are made by the Indigent Assistance Committee, after which these are approved by the Ward Councilor and submitted to the Indigent Clerk for registration

13.2.5 In the case of an application not being recommended by the Indigent Assistance Committee the applicant must be notified in writing of the decision.

13.2.6 Indigent Assistance Committees must monitor, in conjunction with ward Councillors, ward committees and other persons or organisations it may appoint, the implementation of the indigent support programme subject to the policy directions of the Municipality and in consultation with the Municipal Manager.

14 Reporting

14.1 The Chief Financial Officer shall report on a monthly basis to the Municipal Manager or executive committee, as the case may be, for the month concerned and by municipal ward:

14.1.1 the number of households registered as Indigents and a brief explanation of any movements in such numbers;

14.1.2 the monetary value of the actual subsidies and rebates granted.

14.1.3 the budgeted value of the subsidies and rebates concerned, and the above information cumulatively for the financial year to date.

14.2 A quarterly consolidated report must be submitted, per ward to Council showing:

14.2.1 Applications received

- 14.2.2 Applications approved
 - 14.2.3 Applications declined
 - 14.2.4 Indigent defaulters;
 - 14.2.5 The monetary value of the actual subsidies and rebates granted;
 - 14.2.6 The budgeted value of the subsidies and rebates concerned;
 - 14.2.7 Site visits undertaken; and records and monitoring of child headed families per ward;
 - 14.2.8 Awareness and Exit initiatives;
 - 14.2.9 Changes in the registered status of indigents; and
 - 14.2.10 The above information cumulatively for the financial year to date.
- 14.3 The Executive Mayor shall submit the above reports on a quarterly basis to Council.

15 Regular Review Process

- 15.1 The Indigent policy must be reviewed on an annual basis to ensure that it complies with the strategy objectives of the municipality, as stipulated in the integrated development plan and other applicable legislation.

16 Approval of the policy

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Municipal Manager

uThukela District Municipality

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Date

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Executive Mayor

uThukela District Municipality

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Date

COUNCIL RESOLUTION NUMBER _____

DRAFT