



MARULENG LOCAL MUNICIPALITY  
INDIGENT POLICY  
2024/2025

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## **MARULENG LOCAL MUNICIPALITY**

### **INDIGENT POLICY**

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## 1.

## INTRODUCTION

Maruleng municipality Indigent policy is a tool designed to ensure that destitute households and child headed families that are classified as indigent have access to basic services as defined in the Constitution of the Republic of South Africa, Act 108 of 1996.

The municipal Council must give priority to the basic needs of the community, promote social and economic development of the community 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.

In terms of Section 74 of the Local Government Systems Act, of the year 2000, The Municipal Council (hereinafter referred to as the Council) must adopt and implement a tariff policy. In terms of Section 74 (i) of the Act in adopting a tariff policy, the Council should at least take into consideration the extent of subsidisation of tariffs for poor households. Arising from the above, the Council needs to approve an indigent support policy to provide procedures and guidelines for the subsidisation of basic services and tariffs charged to its indigent household.

All indications are that the equitable share will be used to subsidize the indigent.

The indigent is the category of people, those earning less than the set threshold, unemployed and child headed families and pensioners who are unable to make any monetary contribution towards their monthly account.

In line with the objective of creating a vibrant and growing Municipality, the indigent policy is also aligned to the principles of Batho-Pele. Service delivery is one of Government's eight priorities as set out in the White Paper on the transformation of the Public Service. To this effect, government has launched an initiative in South Africa under the banner of Batho-Pele –meaning 'People First' in Sesotho – aimed at improving the delivery of public serves. Batho-Pele further aims to ensure that attitudes, systems and ensuring that the resources available are used to the best possible extent, eliminating wasteful and expensive procedures and reducing unnecessary expenditure on inefficient processes and systems.

## 2.

## DEFINITIONS

For the purpose of this policy, the following terms shall bear the following meanings:

**"Council"** means the Municipal Council of Maruleng Local Municipality.

**"Councillor"** means a member of Maruleng Local Municipal council.

**"Department of Social Development"** shall mean the department responsible for determining social protection and social welfare services.

**"Indigent households"** shall mean all those households that are at or below the poverty threshold as determined by Maruleng Local Municipality.

**"Indigent"** means those persons who, due to a number of factors, are unable to pay the full economic costs on a basis levels of services.

**"Indigent tariff"** means the tariff is determined by Maruleng Local Municipality Council for the indigent households.

**"Child headed family"** means a household where the main caregiver of the household is 21 years of age or younger.

**"Pensioner"** Means a person who is 60 years of age or older.

**"Indigent subsidy"** means the allocation of funds from the equitable share grant as determined by Maruleng Local Municipality Council for the indigent households.

**"Indigent rebate"** means the amount that is credited/tariff reduction to the indigent household.

**"Fairness"** means the treatment of consumers using a uniform set of criteria and procedures.

**"Property"** means any any portion of land including any improvements thereof which the boundaries are determined within the jurisdiction of Maruleng Local Municipality.

**"MLM"** means Maruleng Local Municipality

### **3. POLICY OBJECTIVES**

**3.1 The objective of Maruleng Municipality Indigent Policy will be to ensure the following:**

- 3.1.1 The provision of basic services to indigent household in the jurisdiction of Maruleng Municipality in a sustainable manner, within the financial and administrative capacity of Maruleng Municipality Council.
- 3.1.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through subsidization.
- 3.1.3 Establishment of procedure for the identification and management of indigent households including a socio-economic analysis and the indigent exit mechanisms.
- 3.1.4 The provision of procedures and guidelines for the effective of subsidization of basic charges to such approved indigent household, within budgetary and intergovernmental grant guidelines and the provision of free basic energy to indigent households.
- 3.1.5 To allow the municipality to plan the scale and scope of the Free Basic Services delivery
- 3.1.6 Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for municipal services.

### **4. POLICY PRINCIPLES**

**4.1 In recognition of the National Framework the municipality undertakes to promote the following principles:**

- 4.1.1 To ensure that equitable shares received annually will be utilized for the benefit of the poor only and subsidize rates and services charges of those who can afford to pay.
- 4.1.2 To link this policy with the **Municipal IDP, LED** initiatives and poverty alleviation programs.

4.1.3 To promote an integrated approach to Free Basic Services delivery; and

4.1.4 To engage participation of the community structures in the development and implementation of this policy; to provide a climate that will reduce unemployment through the promotion of economic development and job creation.

## 5. LEGAL FRAMEWORKS

**5.1 This Policy is designed and implemented within the framework of the following legislation:**

- The Constitution of the Republic of South Africa, Act 108 of 1996
- The Local Government Municipal System Act, 32 of 2000
- The Municipal Finance Management Act, 56 of 2003
- White Paper of Local Government
- The Property Rates Act, 6 of 2004
- Act No28 of 2011 (TAA) –South African revenue services (SARS) of section 69 (6) of the Tax administration.

## 6. WHO QUALIFIES FOR INDIGENT SUPPORT

6.1 Households where verified total gross monthly income of all occupants over 18 years of age does not exceed the amount of twice government old age grants as prescribed by the Department of Social Development (**R5000.00**), as the council may from time to time determine quality for a subsidy on free basic services.

6.2 Child headed families who are unable to fully meet their obligations for payment of municipal services are also eligible to apply.

6.3 Households where verified total monthly income does not exceed an amount of **R7000.00** as the council may from time to time determine quality for subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6kl of water per month free of charge.

6.4 Only households where the accountholder or property owner has registered as indigent in terms of the municipal program, and whose registration has been accepted and entered into the municipal indigent register shall qualify for the above concessions.

6.5 For a household to qualify for subsidies or rebates on the major service charges and rebates on rates, the registered indigent must be the full-time occupant of the property concerned, and if not also the owner of property concerned, may not own any other property outside or within the municipal area.

6.6 Property owners with physical disability, those with chronic diseases must provide medical certificates from their Doctors as proof, and pensioners should be regarded as indigents.

6.7 Proof of chronic medication for at least six consecutive months.

6.8 All the households that seek to be classified as indigent should complete an application form obtainable at the Municipality's offices or avail themselves during registration time at their centres.

6.9 The Maruleng Local Municipality through office of the Municipal Manager shall form an Indigent Committee that will be responsible for evaluation of the indigent applications and make recommendations. The committee shall sit as and when required.

6.10 The Indigent Committee Chairperson and Accountant forming part of the committee are responsible for approval of the indigent applications.

6.11 If the household is approved, the provision of subsidies will commence immediately after approval. The provision of subsidies will be valid until end of the third financial year for the processing of Municipal accounts unless if deemed otherwise by the Council.

6.12 Indigency relief shall apply for a period not extending beyond the financial year in which the particular relief is to continue.

6.13 To register as an indigent, the relevant property own or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish the following documentations to accompany the application form:

6.13.1 Proof of income of household owner and all other members of the household above the age of 18 years earning an income / Payslips (excluding tenants and seasonal workers).

6.13.2 Recent receipts of only old age and disability grants will be considered.

6.13.3 Provide valid Bank statements or SASSA statements if receipts are misplaced or lost.

6.13.4 Proof of ownership or rental agreement.

6.13.5 Copy of identity document of the meter owner.

6.13.6 Unemployed and self-employed applicants / household owners must provide affidavit obtained at police station stating their employment status.

6.13.7 Identity document or copy of all family members residing in that household above the age of 18 and those under age living with disability.

6.13.8 Latest electricity token / receipt.

6.13.9 Stand number.

6.13.10 Household members above the age of 18 years earning an income must provide Tax number if applicable.

6.14 Latest Municipal account where applicable as the municipality specifies. The Municipal official will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate the place where registration process is to take place.

6.15 Registrations will take place on the dates and at times and places determined by the Council, but shall generally be undertaken every quarter to update the Indigent Register.

6.16 Municipal Ward Councillor and Ward Committees will have the following responsibilities:

6.16.1 To verify indigent status and financial related answers that were provided by the applicant on the application form

6.16.2 The relevant Ward Councillor or Ward Committees should be involved during registration process and should verify the application together with the relevant community members.

6.16.3 The Ward Councillor must also recommend for the approval of the application.

## **7. COMMUNICATION**

7.1 The indigent registration process is communicated in all nodal points of the municipality  
7.2 through Integrated Development Planning consultation process.

7.3 Councillors and ward committee structures through community outreach programs will educate the community about the indigent registration process and the importance thereof.

7.4 Mayoral Imbizo programs will also communicate the indigent registration processes.

7.5 Programs and list of requirements shall therefore be made available at every public places, schools and churches.

7.6 Utilisation of CDW's and effective local media.

## **8. APPLICATION OF THE POLICY**

8.1 The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.

8.2 In respect of water, a 100% subsidy up to 6 kl per household per month will apply, however, if consumption exceeds 6 kl per metering period (month) the consumer will be charged at an indigent tariff for actual consumption on the quantity exceeding 6 kl.

8.2.1 In respect of sewerage charges and charges for household refuse removal, the relief granted shall not be less than a rebate of 50% on the monthly amount billed for the service concerned.

- 8.2.2 In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value above R30 000.
- 8.2.3 The Indigent support program must be accessible to all qualifying indigent households.

## **9. NON-COMPLAINE OF HOUSEHOLDS REGISTERED AS INDIGENT**

9.1 When a property owner or accountholder who has registered as an indigent fail to comply with any arrangements or conditions materially relevant to the receipt of indigency relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will be treated as an ordinary residential property owner or accountholder for the financial year concerned. The onus is on each registered indigent to advise the municipal manager of such failure to comply.

9.2 The relief to indigent may be withdrawn at discretion of the municipal manager; a registered indigent does not collect the free basic electricity (FBE).

9.3 It may happen that even with the introduction of the indigent policy, certain households may fall into arrears in respect to the account due by them. 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.

9.4 The relief to indigents may be withdrawn at the discretion of the municipal manager if:

9.4.1 A registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or

9.4.2 Any tampering with the installations of the municipality is detected.

9.4.3 If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as indigent, such person shall immediately be removed from the register of indigents.

9.5 And shall be liable to repay to the municipality with immediate effect all indigency relief received from the date of such fraudulent registration.

9.6 Moreover, such person may not again be considered for indigency relief for a period extending for (5) years beyond the financial year in which the misdemeanor is detected.

- 9.7 Indigent support will be terminated in the case where the accountholder dies,
- 9.8 When the indigent sells his/her property.
- 9.9 When the indigent's circumstances change or indigent criteria for approval changes to an extent that approval no longer applies.
- 9.10 If the indigent fails to pay for the account of his/her consumption or use of a Municipal office or fails to honor any the arrangements made by him/her for payment of outstanding account.
- 9.11 The indigent accountholder fails to renew status after the validity period of status being granted.
- 9.12 Indigent relief will not apply in respect of property owners owning more than one property, whether outside or within the municipal area.

## 10. REPORTING REQUIREMENTS

10.1 The municipal manager shall report on a monthly basis to the executive mayor or executive committee, as the case may be, for the month concerned and by municipal ward:

- 10.1.1 the number of households registered as indigents and a brief explanation of any movements in such numbers;
- 10.1.2 the monetary value of the actual subsidies and granted;
- 10.1.3 The budgeted value of the subsidies and rebates concerned; and the above information cumulatively for the financial year to date.

10.2 The executive mayor or executive committee, as the case may be, shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or monthly frequently to any ward committees if so requested.

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