



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

**MAKHUDUTHAMAGA LOCAL
MUNICIPALITY
INDIGENT POLICY
2023/24**

Mmogo re šomela diphetogo!

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1 Introduction

The Indigent Support 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.

The policy is a result of continuous prevalence of indigence and poverty within communities. This policy therefore is a tool of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels.

The provision of free basic social services by Local Government is part of the broader social agenda and anti-poverty strategy of the South African Government.

Government at all levels has a Constitutional obligation to take measures towards realization of the social and economic rights of all people as contained in the Bill of Rights. These rights include, *inter alia* health care, water, education, housing, food, social security and the environment.

Section 27 of the South African Constitution, 1996 (Act 108 of 1996) stipulates that:

Everyone has the right to have access to –

- Sufficient food and water; and
- Social security, including if they are unable to support themselves and their dependants, appropriate social assistance.

The State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of these rights.

The Indigent Support Policy is aimed at ensuring that the State fulfils its constitutional obligation contained in the Bill of Rights. This policy must be read in conjunction with the Credit Control Policy of Makhuduthamaga Local Municipality and 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 subsidization 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 subsidization 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 takes into account health and environmental considerations.

NOW THEREFORE the Council of Makhuduthamaga Local Municipality has adopted the **Indigent Support Policy** set out hereunder: -

3 Abbreviation

LED - Local Economic Development
SARS - South African Revenue Service
SASSA - South African Social Security Agency

4 Legislative Framework

- (a) The review, approval and application of the Makhuduthamaga Local Municipality's Indigent Policy is part of the reasonable measures, within available resources, taken by the Municipality in pursuance of the said Constitutional obligations
- (b) In terms of the provision in the **Municipal Systems Act, 2000 (Act of 2000)** the Municipality must exercise its legislative or executive authority to provide municipal services and to act in the best interest of the local community with in its available resources
- (c) The aforementioned should therefore not be viewed in isolation of other measures, such as social grants, free primary health care, housing, promotion of small, micro and medium enterprises, etc. Taken by other spheres of government as part of an integrated national poverty alleviation strategy.
- (d) Section 97(1)(c) of the Municipal System Act, 2000 (Act of 2000) states that a Municipality must provide in its Debt Collection and Credit Control Policy for indigent debtors which provisions must be consistent with its Rates and Tariff Policies and any other National Policy on indigents.
- (e) Indigent debtors or poorest of the poor should have access to basic service in terms of the South African Constitution.
- (f) Indigent debtors are not able to fully meet their obligations for services consumed and property taxes on their monthly accounts.
- (g) The consumption of metered services by the indigent debtors must maintain at manageable levels to increase affordability of services charges for them.
- (h) Tariffs for Property Tax must be made more affordable to the poor.
- (i) The poor are included in the household category of consumers, which category is responsible for the highest monthly escalation of arrear debtor.
- (j) Applicants do not in all cases make full disclosure when application forms for indigent registration are completed and the collected information needs to be verified at all times.
- (k) Criteria for the identification of poor households must be clear and transparent.

5 Purpose

- (a) The purpose of this policy is to ensure that registered indigent households have access to a basket of basic municipal services
- (b) To ensure and maintain access to basic services and/or benefits for all identified and deserving poor households including emergency services rendered by the Makhuduthamaga Local Municipality.
- (c) To improve monitoring systems, provide support and to strengthen capacity of the Makhuduthamaga Local Municipality to implement the policy.
- (d) To ensure that subsidization for indigent support is funded and allocated as per policy directives to the qualifying households.
- (e) To effectively manage co-ordination between internal departments with regard to the policy implementation.
- (f) To ensure the implementation of an exit strategy to support the increased mobility of the poor from the indigent register
- (g) To ensure that the Makhuduthamaga Local Municipality remains financially sustainable while meeting the needs of the indigents.
- (h) To ascertain appropriate targeting options for the defined indigent households so as to ensure inclusiveness in the approach and application of the policy in an equitable manner.

6 Objective

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

- (a) The provision of basic services to indigent households in communities falling under the jurisdiction of the Makhuduthamaga Local Municipality in a sustainable manner, within the financial and administrative capacity of the Makhuduthamaga Local Municipality.
- (b) The establishment of procedures and guidelines for the effective of subsidization of basic service charges to such approved indigent households, within budgetary and Intergovernmental grant guidelines.
- (c) To ensure that the community of Makhuduthamaga receives indigents subsidy benefits in line with the approved Indigent policy by the Executive Council.

7 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:

- (a) tariffs that cover only operating and maintenance costs;
- (b) special tariffs or life line tariffs for low levels of use or consumption of services for basic levels of service; or
- (c) any other direct or indirect method of subsidization of tariffs for poor households;”
- (d) The following are the guiding principles for the formulation of an Indigent Support Policy:
- (e) The Indigent Support Policy must be formulated in accordance with the Constitution of the Republic of South Africa, 1996, (Act No108 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.
- (f) Relief must be provided by the Makhuduthamaga Local Municipality to registered residential consumers of services who are indigent.
- (g) Council must, wherever possible, ensure that any relief is in accordance with the Constitution and is cost effective, sustainable, practical, fair, equitable and justifiable.
- (h) The subsidizing of minimum service levels should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement.
- (i) 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.
- (j) Other municipal services in addition to free basic services should, where possible, be affordable and beneficial to the indigents.
- (k) The relief should be valid for a maximum period of 24 months.
- (l) The Council may review and amend the qualification criteria for indigent support.

- (m) The joint gross income of all the household occupants will be taken into account in determining the validity of indigent support application.
- (n) The indigent data-base shall be updated regularly.
- (o) In line with the objective of creating a vibrant and growing Municipality, the indigent policy is also aligned to the principles of Batho-Pele.
- (p) Batho-Pele further aims to ensure that attitudes, systems and procedures are capable of delivering enhanced public services.
- (q) Misuse of any support or grant or supply of invalid information will lead to punitive action by Makhuduthamaga Local Municipality against indigent support beneficiaries.
- (r) The Makhuduthamaga Local Municipality reserve the right to verify new applications and existing approved indigents against any relevant external data source.
- (s) The Council must/may use external services and/or references to verify the information provided by the applicants.

8 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:–

Authorized Officer: means any official of the Council who has been authorized by the Council to administer, implement and enforce the provisions of this policy.

By-Law: means a by-law adopted by the Council.

Basic Services: means the supply of the following basic services within the budgetary and legislative guidelines:-

Energy supply

Water supply

Sanitation services

Refuse removal service

Calendar Days: means all days in the month inclusive of Saturdays and Sundays.

Child Headed Households: is deemed to be minor dependents of registered owner or tenant of property where due to death of parent(s) or legal guardian who is also registered owner or tenant, minor child is responsible for management of households.

Municipal Manager: means the person appointed by the Council as the Municipal Manager of the Makhuduthamaga Local Municipality in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), and includes any person

- (i) acting in such position, and
- (ii) to whom the Municipal Manager has Delegated a power, function or duty.

Council: Means –

- (a) The “Municipality” and vice versa;
- (b) The Council of the Makhuduthamaga Local Municipality established by Provincial Notice No. 6768, as amended, exercising its legislative and executive authority through the municipality;
- (c) Its successor in title;
- (d) A structure or person exercising a Delegated power or carrying out an instruction, where any power in these by-laws has been Delegated or sub-Delegated, or an instruction given, as contemplated in section 59 of the Local Government Municipal Systems Act, 2000 (Act No 32 of 2000); or
- (e) A service provider fulfilling a responsibility under these by-laws, assigned to it in terms of section 81(2) of the Act, or any other by-law, as the case may be.

Dependent: means a person under the age of 18 years 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 Makhuduthamaga Local Municipality.

Indigent Register: means a database of all households approved and qualified to receive free basic services.

Deceased Indigent: means a destitute person who has died in indigent circumstances and the family cannot afford the cost of burial.

Indigent Relief: means the minimal assistance provided by the Makhuduthamaga Local Municipality for the burial and cremation of deceased indigent.

Essential household services package: 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 Children Support grants.

Illegal Connection: a connection to any system through which municipal services are provided, which is not authorized or approved by the Municipality or its authorized 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 person lacking the basic necessities of life such as insufficient water, basic sanitation, refuse removal, health care, housing, environmental health, and supply of basic energy, food and clothing as defined in this policy.

Municipality: means the “Council” as defined above.

Delegate: means a municipal official nominated by the Accounting Officer to act on his or her behalf in relation to management of Indigent operations and approvals.

Occupants: means the owner and/or legal tenant of property and all individuals who live together in a single residential property.

Pensioner: means a person whom –

- (i) is at least 60 years of age on date of application, provided that where couples are married in community of property and the property is registered in both their names , the age of the eldest will be the qualifying factor;
- (ii) is the registered owner of the property or registered as “Life right use” tenant in deeds office;
- (iii) is the owner/occupant and account holder of the property concerned, which will consist of one dwelling only and no part thereof will be sub-leased;
- (iv) must reside permanently on the property concerned which consists of one dwelling only; and

- (v) a person who is a mentally and/or physically disabled person complying with the requirements in (i) to (iv) above.

Registration Method: means registration process applied by Council in the indigent application process.

Resident: means a person residing within the area of jurisdiction of Makhuduthamaga Local Municipality and consume services as provided by the Council.

Services: means the “basic services” as defined above.

Social Service Package: means higher levels of household services and access to public services such as roads, public transport, community services and emergency services as provided by Council.

Working Days: means Monday to Friday excluding public holidays.

Income: means the amount of money or its equivalent received during a period of time in exchange for labour and or services rendered, from the sale of goods or property, or as profit from financial investments or any earned or unearned income which is taxable in terms of SARS provision.

Civil Pension: It is regarded as income that is taxable in terms of SARS provision.

Social Grant Pension (Old Age grant): It is the monthly income provided by South African Social Security Agency to older people (age 60 and above).

Child Support Grant: It is the money paid to the primary care giver, who must be 16 years or older and be a South African citizen or permanent resident of a child to provide for the child`s basic needs.

9 Legislative Framework and Guidelines

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

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

Guidelines:-

- (a) National Framework for Municipal Indigent Policies:
- (b) Free Basic Strategy and guidelines prepared by the Department of Water Affairs and Sanitation
- (c) Electricity Basic Support Tariff (free basic electricity) Policy prepared by the Department of Energy.

10 Scope of Policy Application

This policy document shall apply to the administration of all indigent determinations and offerings as determined by the Makhuduthamaga Local Municipality.

11 Financing of the Indigent Programme

- (a) The source of funding for the indigent subsidy is the Equitable Share contribution to the municipality made by the Government from the National Fiscus.
- (b) In exceptional circumstances this can be supplemented from other revenues. Council will determine the subsidy amount of percentage, per service category, per household, on a year to year basis, taking into account the Equitable Share allocation.
- (c) The Municipality must make provision on its annual Operating Budget to subsidise the tariffs of registered indigent.
- (d) The arrears on services covered by indigent programme may be written off against the provision of bad debt.
- (e) Registered indigent households will receive a pre-determined quantity of electricity, water and sewer free of charge on a monthly basis as well as free refuse removal and free burial subject to the approval by the Accounting Officer or his Delegates.

12 Criteria for Qualification of Indigent Support

12.1 Registered Households

12.1.1 Indigent Household

Indigent relief will be granted to an approved household where the –

- (a) Combined household income of all occupants/ residents and/or dependent residing in the property and are over the age of 18 years of age, is less than two (2) senior state monthly pension grants, as determined by Minister of Finance from time to time;

The under mentioned grants received will be excluded from determining household income:

- Forster Child Grant, Pension Grant

- Donations
 - Child Support Grant, and donations
 - Care Dependency Grant.
- (b) Account in respect of Basic Services and/or Assessment rates is held with Council in the name of the applicant;
 - (c) The applicant must be a South African citizen;
 - (d) The property is used for residential purposes ONLY; and
 - (e) The applicant MUST reside in the property in application
 - (f) Municipal value of property does not exceed maximum value of R400 000.00 as per the valuation roll.
 - (g) The person or applicant applying on behalf of a household must reside at that property except when a guardian applies on behalf of a child headed household.
 - (h) Only tenants from Municipal Property will be considered.
 - (i) The applicant can be employed but with household income that is below two senior state pension fund as determined by the Minister of Finance.

12.1.2 Child-Headed Household

Child-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 municipal account of the deceased parents is closed;
- (c) The oldest child signs the municipal service user agreement assisted by appointed legal guardian;
- (d) Property is not occupied by any member other than minor dependent children of deceased owner and or tenant or legal guardian.
- (e) The status of the household is reviewed in terms of this policy at least on twelve monthly bases.
- (f) A child from child headed household who is eighteen (18) years older may apply to have the household registered as indigent.

12.1.3 Exclusions- Registered Households

Indigent relief will NOT be granted where the applicant, household, occupants/ residents and/or dependents 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 registered as consumer of services in the records of Council;
- (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 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) Where business activities are being conducted on the property in application
- (g) Potential indigents on privately owned properties, with the exception that the owner writes a letter confirming that the property is occupied free of rental fees.
- (h) Property classified as vacant on the valuation roll.

12.1.4 Deemed Indigent Household

Households within the following categories of properties will be deemed to be indigent households:

- (a) The property is used for residential purposes only as reflected in General Valuation roll;
- (b) Residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property; municipal value of property does not exceed maximum value R 250 000.

12.1.5 Exclusions Deemed Indigent Households

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 sub lease his or her 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.
- (f) Properties registered in name of national, provincial or local government.
- (g) Owner of property applies to be excluded from deemed indigent relief.

12.2 Indigent

Indigent relief in respect of other services provided by Council, excluding household free basic services and assessment rates grants, will be granted to approved indigent person where:-

- (a) Applicant is a South African citizen;
- (b) Applicant is over the age of 18 years of age but includes financially dependent minors of applicant;
- (c) Applicant benefits or regular monetary income is less than two (2) monthly state pension grants, as amended by Minister of Finance from time to time.

13 Termination of Indigent Relief

The relief will terminate:

- (a) Death of account holder
- (b) Sale of property
- (c) The owner vacates the property
- (d) If it is found that the information provided on the form was falsified
- (e) The socio economic status of client improves
- (f) Voluntary exit by client.
- (g) On expiry of relief in absence of application to renew

- (h) If it is established that the client has tampered with any of the utility connection of the municipality
- (i) If electricity consumption is identified to being above 400KWH from three consecutive months.

14 Documentations Required for Application of Indigent Status (Subsidy/Benefits)

- (a) Certified copy of South African Identity Document of account holder and all occupants of the property.
- (b) Certified copy of Death Certificate of Parents or Guardians in case of child headed households.
- (c) Certified Birth Certificates or Identity Document of the beneficiaries in respect of child headed households.
- (d) Proof of monthly income of the applicant and all household occupants
- (e) Proof of Social Grant Card and Registration of main applicant, household occupant and Children
- (f) Bank Statement of the applicant
- (g) Sworn Affidavit by applicant declaring source of income
- (h) Latest Municipal account
- (i) Signed letter of residential address by the tribal authority if no municipal consumer account available or letter from Ward Councillor
- (j) Copy of lease agreement if renting from Municipal Property

15 Extent of Indigent Support Social Package

15.1 Registered Indigent Household / Person

- (a) 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) Free basic water per month
 - (iii) Free basic electricity of **50kWh** per month
 - (vi) Free basic sanitation; and

- (vii) Assessment rates in respect of residential property registered in name of qualifying indigent owner subject to the maximum amount of R 400,000 (Four Hundred Thousand Rand Only) or as determined by Council from time to time.
- (b) 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.
- (c) The relief will be subject to national policy guidelines and the Council's budgetary provisions.
- (d) Any amounts levied for municipal services consumed outside allocated subsidy of Indigent Debtor are therefore due and payable by the debtor.
- (e) Credit Control Policy may be applied on indigent debtor for debt incurred after being approved as indigent.
- (f) The total amount due by an approved indigent will be written off upon approval, excluding the current year's charges.
- (g) In the case of tenants occupying municipal properties, all rental amounts due on approval will be written off with the exclusion of current year's charges subject to approval by the Accounting Officer or his Delegate.
- (h) Annual write offs of arrear indigent debtors may also be considered by Council.
- (i) The recipient's monthly account per service will be credited with the amount of indigent relief granted in terms of this policy.
- (j) A household may apply for the continuation of relief on expiry of relief period as specified - subject to compliance with policy qualification criteria.
- (k) the Council may determine special tariffs and/ or grant rebates in respect of the following social services subject to the availability of funds and compliance with qualifying criteria in terms of this policy:
 - (i) Sports grounds, pools;
 - (ii) Fire Protection
 - (iii) Transport;
 - (iv) Market;
 - (v) Museums;
 - (vi) Mayor's Relief Fund;
 - (vii) Hiring of halls;
 - (viii) Cemeteries and crematoria;
 - (ix) Damage to property as a result of natural disaster;

- (viii) Any other services as determined by Council; and
- (ix) Emergency and ambulance services.

16 Period of Relief

Application based Indigent relief is granted for a period of two financial years which is determined by Council from time to time.

The period of the approval is for a period of two financial years of the municipality. The approvals are subject to review annually by the Finance Department.

17 Administration of Indigent Support

The applying citizen must present his/her Identity Document at the point of application for which the following steps will occur:-

- (a) After the application form has been completed, an effective and efficient evaluation system must be used in order to verify the information furnished by the applicant and to reach a decision within 21 days after the date on which the application was lodged.
- (b) The applications will be reviewed by the finance indigent administrators and decision granted provided to either approve in principle or decline.
- (c) Upon approval in principle, the indigent administrator will verify the applicant in the credit bureau to ascertain data on application form.
- (d) Council reserves the right to visit the property in application to verify the data on the form.
- (e) The municipal manager or Delegated nominee will consider and either approve or disapprove the application prior to the indigent being placed on the indigent register
- (f) Whilst the application is under review, all credit control actions will be suspended on the precondition that the client settles their monthly levied accounts. Failure to comply may result in credit control actions taken.
- (g) If a household is found to be indigent, his/her personal particulars must be registered on a database linked to the debtors system with immediate effect.

- (h) 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.
- (i) The declaration of residence in a household will be captured as an appended record to the relevant identity document number, and that will be the only property for which the individual bearing that identity document number can claim subsidy. In the case of there being any dispute as to the residence of a given individual, that individual's declaration in person at his or her indigent/finance office will take precedence over any declaration made by another individual that the person in question resides in their household.
- (j) All indigents should be re-evaluated after every 12 months from the date on which relief was authorized in order to assess the need for the continuation of relief in terms of this policy. 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.
- (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. It will further be stopped if it is discovered that an approved indigent failed to inform Makhuduthamaga Local Municipality of changes in his/her/their financial circumstances which would disqualify them from receiving assistance in terms of this policy. Providing misleading information constitutes fraud and Makhuduthamaga 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.
- (l) A penalty may also be imposed on the client due to falsified data on application.

18 Monitoring and Evaluation

The Municipality reserves the right to send officials in the Indigent Office to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s).

The Senior Manager will report quarterly to the executive committee, such reporting shall reflect the following;

- a) Number of Indigent households application received or registered in the indigent register;
- b) Number of Indigent households application who received property rates;
- c) Number of indigent households who received Free basic services

19 Verification of the indigent register

19.1 Verification by Infrastructure Department

The Infrastructure Department will have the following responsibilities:-

- d) To register every applicant in register.
- e) To check the completeness of the form before capturing into the system. The Municipality will complete a register of households that qualify as indigent
- f) Ensure that the indigent register is updated annually
- g) The verification process is undertaken through yearly review for any change of circumstances

19.2 Verification by the Councillors

The Councillors will have the following responsibilities

- a) To assist applicant in completing the application forms.
- b) Verify indigent status and financial related answers that were given by the applicant on the application form.
- c) approval of indigent subsidy will be done by the Ward Councillor
- d) To coordinate the completion of indigent forms in their specific area of jurisdiction.

20 Responsibilities of Indigent Debtor or Beneficiaries

- (a) The registered indigent must always ensure that his or her monthly consumptions does not exceed limited level of services in terms of this policy as per Section 13,sub-section (13.1)(13.2).
- (b) The applicant must be willing to accept limited level of services and must stay in the programme for period of 24months unless assessed and approved for voluntary exit on application according Section 15(J) of this policy.
- (c) The registered indigent is responsible for the payment of any levies incurred outside the allocated subsidy on a monthly basis.
- (d) Indigent customer who consumes water more than three times of their monthly allocated subsidy will be subjected to installation of water restriction device flow and review of indigent application.
- (e) Approval of indigent benefits or subsidy subject the household to installation of prepaid electricity meter from conventional electricity meter.
- (f) Reasonable care of the device/meter.
- (g) The registered household has a responsibility to report any tampering/vandalism to the device/ meter to any customer care offices of the Makhuduthamaga Local Municipality.
- (h) Any water leaks within the Indigent' place of residence will be repaired by and at the cost of the municipality if reported within 24 hours of detection.
- (i) Clients who are in arrears with their municipal accounts in excess of 60Days will be subjected to an 80/20 prepaid voucher split purchase recovery plan.
- (j) Indigent debtors who are in 90days arrears may be subjected to debt collection process in terms of the Makhuduthamaga Credit Control policy application on a debt that is 90days arrears plus.
- (k) Participation in economic development activities initiated by the Makhuduthamaga Local Municipality is compulsory for indigent beneficiaries.

21 Section 89- Deceased Estates

Children who have lost both parents and who have inherited fixed property, subject to the inability of the estate to pay arrear municipal accounts can register as indigents. The municipality may write off the arrears on such fixed property due to the municipality subject to the approval by The Executive Council, only if such property is to be registered in the names of such orphans.

22 Control Measures for The Distribution of Indigent Support

- (a) Any resident of the municipality who is aware of malpractice may lodge an objection to the Council for granting such relief to such a person.
- (b) The details of all applicants and their respective households must be submitted to the Council on a quarterly basis.

23 Action against Malpractice to Misrepresentation or Misuse

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 the account of the customer from date of offence.

- (a) 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.
 - (v) Impose a penalty as promulgated by council from time to time.

Customers found to have tampered, or illegally connects or reconnects services, 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 and relief suspended or stopped immediately.

The applicable penalty as promulgated may also be imposed.

24 Exiting the Programme

Prior to the expiry of the 24 months period as contained in above the debtor may apply to be de- registered.

The application for de-registration will be administrated by the Finance Department where after the affected departments such as Water and Electricity will be requested to restore the full services at the property.

All approved applicants will be captured in the indigent data base, from which all skills development and job creation programmes developed by the Makhuduthamaga Local Municipality will draw their intake from.

Any department developing a measure or programme designed to target the poor will use this database as the source of their programme participants.

This is designed to systematically assure that households qualifying for indigence are subject to the full range of interventions delivered through (or in collaboration with) the Makhuduthamaga Local Municipality, in accordance with the Growth and Development Strategy Pillars, one of which is poverty alleviation.

25 Right To Appeal

An applicant who is the registered household own, guardian, child headed household or tenant 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.

26 Communication

The indigent registration process is communicated in all nodal points of the municipality through IDP consultation process.

Councillors through community outreach programs will inform the community about the indigent registration process and the importance thereof.

Mayoral Imbizo programs will also communicate the indigent registration processes.

27 Contact of the office responsible for the policy

Office of the Senior Manager infrastructure –

Contact Person: **Senong PA (Manager Infrastructure)**

Tel: 013 265 8651

Email: senongp@makhuduthamaga.gov.za

28 Effective Date

This policy is effective from 01 November 2017 going forward until it is replaced by the approved reviewed indigent policy in the near future by the Executive Council of Makhuduthamaga Local Municipality.

29 Additional information

The Makhuduthamaga local Municipality will ensure that all officials and Councillors are appropriately capacitated in free basic services in terms of the following key areas:-

- a) Database management
- b) Revenue management
- c) Policy and by-laws implementation
- d) The Indigent Training to all Councillors once per annum;
- e) The Indigent campaign in all Mayoral Imbizo's;

30 Short Title

This policy shall be called Indigent Policy of the Makhuduthamaga Local Municipality.

31 List of stakeholders

The following stakeholders took part during the development of this document:-

- a) The Mayor
- b) Speaker
- c) Chief whip
- d) All Councillors
- e) Municipal Manager
- f) Section 57 Senior Managers
- g) Sector Departments
- h) Community Development Workers
- i) Ward Committee
- j) Official from Sekhukhune District Municipality