

Mopani District Municipality



Draft INDIGENT POLICY 2025/26

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1. INTRODUCTION

1.1 The Mopani District Municipality reaffirms its commitment to the national principles that shall underpin the indigent policy –

- (a) Everyone has inherent dignity and the right to have their dignity respected and protected. All process that involves the provision of services to citizens shall be done in such a manner as to respect the entrenched rights and dignity of those citizens.
- (b) Municipalities shall provide basic services to its indigent in a sustainable manner. It is not expected that a municipality shall provide free basic services beyond its financial and other capacities.
- (c) Indigents shall be afforded access to more than just the free basic services package. it is widely acknowledged that the free basic services package on its own shall not see indigent communities standards of living improve. It is imperative that linkages be made between the free basic services package and the broader package of social services.
- (d) In providing free basic services to indigents, municipalities shall provide these services at the recognised and approved minimum basic levels. Municipalities are not dissuaded from providing a higher level of a service if they can afford to do so, and can sustain this higher level.
- (e) Free basic services are targeted at the indigent. Therefore, a municipally can use any approach it chooses to provide Free Basic Services as long as it can ensure and demonstrate that the indigents are benefiting from free basic services.
- (f) The municipal indigent policy is not a standalone policy which is independent from the municipality's IDP's, its debt and credit control procedures, its by-laws etc. A municipality's indigent policy needs to be developed to integrate with these strategic management plans and procedures so as to ensure that a municipality shall be able to sustain its free basic services programme.
- (g) Municipalities need to start planning realistic exit strategies for their indigent populations to exit from the indigent registers and subsidies. This shall entail that the living circumstance of the indigent has improved significantly so that the indigent can afford to pay for their service. What this implies is that

municipalities shall integrate their Free Basic Services delivery with structured poverty alleviation programmes.

- (h) Due to the varying circumstance and conditions within municipalities it is recognised that municipalities shall exercise their right to apply the national indigent framework and these guidelines according to their own circumstances.

1.2 This policy shall –

- I. Allow the municipality to target the delivery of essential services to citizens who experience a lower quality of life;
- II. Identify how the indigent shall be accessed;
- III. Establish the process that shall be used to manage the indigent;
- IV. Identify the process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies;
- V. Provide policy direction to the municipality's IDP's and financial planning instruments;
- VI. Establish the process to set targets (milestones) for the rollout of free basic services to the entire indigent population within the municipal area; and
- VII. Identify the linkages between the various poverty alleviation programmes that shall result in the indigent moving away from the poverty trap.

2. LEGISLATIVE FRAMEWORK

2.1 This policy has been prepared in line with the Guidelines for the Implementation of the National Indigent Policy by Municipalities issued in 2005.

2.2 Legislation that directly impacts upon this policy include –

- I. Constitution of the Republic of South Africa
- II. Local Government Municipal Property Rates Act, 2004 (Act No 6 of 2004)
- III. Local Government: municipal Structures Act, 1998 (Act No 117 of 1998)

IV. Local Government: municipal Systems Act, 2000 (Act No 32 of 2000)

V. Local Government: municipal Finance Management Act, 2003 (Act No 56 of 2003)

2.3 National policies and guidelines that directly impact upon this policy include –

I. Guidelines for the Implementation of the National Indigent Policy;

II. Framework for a municipal Indigent Policy;

III. Communications Handbook on Free Basic Services; and

IV. Study to determine progress with and challenges faced by municipalities in the provision of free basic services and supporting those municipalities struggling with implementation.

3. FREE BASIC SERVICES

3.1 Only qualifying indigent households that have been registered by the municipality in terms of this Indigent Policy may receive benefits under the Free Basic Services Policy.

3.2 The funding and financial management of this indigent policy and the free basic services policy is covered under the credit and debt control policy of the municipality.

4. QUALIFICATION

4.1 In order to qualify as an indigent household of Mopani District Municipality, a household shall meet all of the following requirements in order to be registered –

I. Have a total income less than R3.500 per month;

II. Shall occupy a dwelling that receives municipal services;

III. Applicants must provide valid documentation such as proof of income, proof of residency, and identity documents.

IV. Neither the applicant or any other member of the household may not own fixed property other than the one in which they reside and for which

application has been lodged, whether inside or outside the municipality's area of jurisdiction; and

- V. Shall comply with any other terms or conditions determined by the council from time to time.

4.2 Council reserves the right to review and revise the scheme conditions, criteria and benefits, as it deems necessary.

4.3 Notwithstanding anything else set out in this policy, council reserves the right to reject applications or to deregister an indigent household, when such actions are taken by resolution.

5. REGISTRATION

5.1 Qualifying households may apply to register as indigent at any time during the financial year on the prescribed application form of the council.

5.2 The person applying on behalf of a household shall –

- I. Be a South African citizen;
- II. Not be younger than twenty-one years of age, except if the child is appointed executorship by a court of law;
- III. Shall reside and be a full-time occupant at that property except in the case of a child headed household; and
- IV. Shall be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system.

5.3 In the case of a deceased estate, the surviving spouse or dependants of the deceased, who occupy the property may apply if they meet all the above criteria except section 5(2)(d)

5.4 The board of trustees / managing agent / chairperson of a body corporate of bodies corporate or retirement centres that accommodate households that would otherwise qualify as indigent, may apply to the Chief Financial Officer for registration in order to receive a pro-rata subsidy on Free Basic Services, although it is at the sole discretion of the municipality as to whether such application is approved.

5.5 An application shall be accompanied by –

- i. Documentary proof of income such as a letter from the applicant's employer, salary advice, pension card, unemployment fund card, or an affidavit declaring unemployment or household income;
 - ii. Details of any other grants or subsidies received by the applicant or any other member of the household shall be supplied, although these shall not be considered as income in terms of section 4.1;
 - iii. A certified copy of the applicant's identity document; and
 - iv. The names and identity numbers of all occupants over the age of 18 years who are resident at the property.
- 5.6 As part of the application, the applicant shall be willing to give consent for external scans and credit bureau checks.
- 5.7 As part of the application, the applicant shall consent to receiving the service and agree to the terms and conditions specified by the municipality.
- 5.8 An indigent household shall re-apply annually before the end of April for the next financial year for registration as an indigent household, failing which any benefits shall be withdrawn automatically from 1 July of the new financial year.
- 5.9 A reapplication shall follow the same process and procedure set out above.
- 5.10 The municipality does not guarantee the re-registration of indigent households.
- 5.11 A registered indigent household shall be in possession of a letter of registration from the municipality.
- 5.12 The council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation or discontinuation of the registration or any subsidy.

6. DEREGISTRATION

A registered indigent household must immediately request de-registration by the municipality if the circumstances of the household change, and it no longer meets the criteria set out in section 4. The household must submit a formal de-registration

request along with supporting documentation. The municipality will then verify the information and notify the household of the final decision.

7. DISQUALIFICATION

- 7.1 An applicant who provides false information in an application form and/or any other documentation with the application –
- i. Shall automatically, without notice, have their household de-registered as an indigent household from the date on which the municipality becomes aware that such information is false;
 - ii. Shall be held liable for the payment of all services receded in addition to any other legal actions the municipality may take against such a customer;
 - iii. Shall never in future be allowed to lodge an application for an indigent household, whatever the circumstances he/she may have to endure in future.
- 7.2 Households shall be disqualified from the scheme if –
- i. The application was filled in dishonestly;
 - ii. Any audit indicates changes in the financial circumstances of the household that may impact upon their meeting the qualifying criteria.

8. MANAGEMENT

- 8.1 The council and municipal manager shall establish strategies that tackle each of the following four key issues –
- i. Actively encouraging all qualifying persons to register as indigents under this policy;
 - ii. Ensuring that all registered indigent households have physical access to the services (i.e. the infrastructure required shall be in place);
 - iii. Ensuring that free basic services are provided in a reliable, appropriate and sustainable manner, and that the service is having the desired impact in improving the lives of the indigent;
 - iv. Ensuring that the subsidies offered are properly targeted towards the indigent and that those who can afford to pay do not get subsidised.

- v. The Municipality shall ensure that its IDP prioritises the provision of free basic services to all indigent households.

8.2 The Municipal Manager and Senior Managers shall align their poverty alleviation programmes to meet the needs of indigent households, and support these households in their struggle to escape from the poverty trap in which they find themselves.

9. COMMUNICATIONS

9.1 The municipality shall develop its communication strategy for the Indigent Programme in line with the Communications Handbook on Free Basic Services as issued by the DPLG in 2005.

9.2 The municipal manager is responsible for communicating with all the residents of the municipality –

- i. What is the municipality trying to achieve with regards to the indigent policy;
- ii. How the municipality shall be going about implementing the indigent policy;
- iii. What is the value for indigent and non indigent households;
- iv. Who qualifies for the service and how the municipality has determined this; and
- v. How shall qualifying household access the services.

10. MONITORING AND EVALUATION

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

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

10.2 As far as the extent to resources permit, the municipality shall develop a strategy that ascertains whether –

- i. The service is being offered at the appropriate service level, in view of the environment, financial aspects and the social habits of the community;
- ii. The service is operating adequately;
- iii. The community is making appropriate use of the service;
- iv. The community requires any form of training to make better use of the service;
- v. The service is meeting the required needs of the community; and the service is beneficially impacting on poverty or the quality of life of the beneficiaries.

11. POLICY APPROVAL

This policy was formulated by Budget and treasury Management in consultation with the Treasury.

12. COMMENCEMENTS

This policy shall come into effect on the date of adoption by council.

13. REVIEW OF THE POLICY

The policy shall be reviewed annually or when a need arises.

14. REPEAL

The policy shall repeal all previous policies formulated before its approval.

15. STAKE HOLDER 'S CONSULTATION

15.1 All stakeholders were consulted on the

16. ADOPTION BY THE COUNCIL

Resolution NO:	Approved date:
Effective Date 01 July	Review date: Annually

17.AUTHORITY

MUNICIPAL MANAGER
MR TJ MOGANO

COUNCIL SPEAKER
CLLR NM MASWANGANYI