

**WINNIE MADIKIZELA MANDELA LOCAL
MUNICIPALITY**



FINAL INDIGENT POLICY

May 2026

INDIGENT SUPPORT POLICY

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ABBREVIATIONS

CDW - Community Development Worker

CFO - Chief Financial Officer

COGTA – Cooperative Governance and Traditional Affairs

FBS - Free Basic Services

FBSTT- Free Basic Services Technical Team

FBE - Free Basic Electricity

FBAE - Free Basic Alternative Energy

FBRR - Free Basic Refuse Removal

H/H - Household

ID – Identity document

IDP - Integrated Development Plan

ISC - Indigent Steering Committee

KL – kilolitres

LED - Local Economic Development

LM – Local Municipality

MM – Municipal Manager

CDW - Community Development Worker

SLA - Service Level Agreement

RSA – Republic of South Africa

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1. *Mission and the Vision of Winnie Madikizela-Mandela Local Municipality*

- ❖ **Mission:** The mission for Winnie Madikizela-Mandela Local Municipality is to be a well governed municipality committed to discharging its mandate through: Investing in its people poverty fight, Providing affordable services.

- ❖ **Vision:** Winnie Madikizela-Mandela Local Municipality aims to be a flourishing local municipal area with a growing employment creating economy and sustainable communities where everyone has access to equal opportunities.

2. Definitions of terms/ concepts

“Child headed household”

means a household where both parents are deceased and where all occupants of the property are children of the deceased and are under the legal age to contract for services;

“Indigent household”

means any household or category of households, including a child headed household, earning a combined monthly income that is less or equivalent to two state pension grant, which qualifies for rebate/remissions, support or a services subsidy; provided that child support grant are not included when calculating such household income;

“Indigent Register”

means the database which has to be updated and reconciled with financial system on a monthly basis, designed to contain all the inputted data contained within completed indigent application form;

“Indigent Management System”

an electronic management system applied by Winnie Madikizela-Mandela Local Municipality for the management of the register of indigent households;

'occupier'

means the person who resides on or controls and otherwise uses immovable property, provided that -

- (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;*
- (b) where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;*

'owner'

in relation to immovable property, means-

- (a) the person in whom is vested with the legal title thereto provided that -*
 - (i) the lessee of immovable property which is leased for a period of not less than fifty 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;*
- (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 his/her 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;

- (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*
- (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;*

“Programme Officer / FBS Coordinator”

an official duly authorised by the municipality, or an employee of a service provider appointed by the municipality, who is responsible for the following:

- (a) to ensure that applications for indigent support are received and assessed;*
- (b) to ensure that applications are captured on the Indigent Management System;*
- (c) to ensure that information on applications are verified and that regular audits are executed; and*
- (d) to authorize expenditure with regard to indigent support;*

'premises'

includes any piece of land, the external surface boundaries of which are delineated on -

- (a) a general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);*
- (b) a general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and situated within the jurisdiction of the municipality*

'Rates'

means any tax, duty or levy imposed on property by the Council;

“Subsidy”

a subsidy is granted from external funds allocated by the National Government as an Equitable Share Allocation to subsidize indigent households with specific levels of services;

“Council” *means the Council of the Municipality of Winnie Madikizela-Mandela or any duly authorised Committee or official of the said Council*

“Gender” *any reference to the one gender shall include reference to the other*

“household” *means as a registered owner or tenant with or without children who reside on the same premises*

“Household Income” *means all sources of income being formal and/ or informal of nature including, but not restricted to, salaries, revenue generated, pensions, fixed deposits, investments, state subsidies and or grants, private financial support/contributions from outside the indigent household*

“Indigent debtor” means the head of an indigent household, inclusive of destitute indigents and indigents, being old age pensioners, the unemployed and households with a total monthly income as determined in this policy:

- [a]** who applies for the provision of services from the municipality; and
- [b]** who makes application for indigent support in terms of this Policy;
- [c]** who shall be regarded as the representative of all members of his/her household.
- [d]** which indigent household members shall not own any other fixed property other than the property for which the application is made, or hold fixed deposits and investments

“Indigent Households” shall include all individuals residing at the residential premises of the indigent debtor, inclusive of destitute indigents and indigents, by whom and for which application is made, which premises has access to municipal services.

“child headed household” means a household where both parents are deceased and where all occupants of the property are children of the deceased and are under the legal age to contract for services;

“Indigent and Free Basic Services Subsidy Policy” means the policy for the provision of indigent support subsidies to qualifying indigent debtors in terms of the Council’s policy relating to the following:

- [a]** as determined by Council annually during the budget process, in line with National norms and guidelines.

“Municipality” means the Municipality of Winnie Madikizela Mandela, a local municipality established in terms of Section 12 of the Local Government: Municipal Structures Act 1998;

“Municipal Manager” means the Municipal Manager of the Winnie Madikizela-Mandela Municipality or his/her nominee acting in terms of power delegated to him/her by the said Municipal Manager with the concurrence of the Council.

“Poverty” is defined with reference to a poverty line i.e. if a household earns gross income lower than a set amount that household and its members are deemed to be living in poverty.

“Vote” means:

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. Introduction

As a developmental institution, the municipality needs to commit to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

*The municipality therefore adopts a **Free Basic Service and Indigent Subsidy Support Policy** which embodies an indigent support programmed not only providing procedures and guidelines for the subsidization of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.*

4. Policy Objectives

4.1 The objective of the indigent support policy is to ensure the following:

4.1.1 the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the council; and

4.1.2 to provide procedures and guidelines for the subsidization of basic service(s) charges to its indigent households, using the council's budgetary provisions received from central government in accordance with prescribed policy guidelines.

4.2 The council also recognizes that many of the residents can simply not afford the cost of full provision and for this reason the council will endeavor to ensure affordability through:

4.2.1 setting tariffs in terms of the council's tariff policy, which will balance the economic viability of continued service delivery; and

4.2.2 determining appropriate service levels.

5. The Legislative Framework

❖ *This policy is designed and implemented within the framework of the following legislation:*

- *Constitution of RSA (Act 108 of 1996)*
- *Intergovernmental Relations Framework Act (Act 13 of 2005)*
- *Municipal Finance Management Act (Act 1 of 2003)*
- *Municipal Property Rates Act (Act 6 of 2004)*
- *Municipal Structures Act (Act 117 of 1997 as amended)*
- *Municipal Systems Act (Act 32 of 2000)*
- *Public Finance Management Act (Act 1 of 1999)*
- *The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);*
- *The Promotion of Access to Information Act, 2000 (Act 2 of 2000);*

6. Policy Principles

It is against the above background that the municipality undertakes to promote the following principles:

- a. To ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay.*
- b. To link this policy with the municipality's IDP, Local Economic Development (LED) initiatives and poverty alleviation programmes.*
- c. To promote an integrated approach to free basic service delivery; and*
- d. To engage the community in the development and implementation of this policy.*

7. Scope of Application

An indigent debtor shall apply for indigent benefits on the prescribed application form and in terms of the laid down procedures of Council.

The applicant shall agree to the following:

(a) To appear personally before the designated official / Data Collector with documentation required for verification purposes.

(b) To the installation of a prepaid electricity meter by Council which costs Council may recover by applying the applicable prepaid tariff.

(d) To the valuation by the Municipal Valuer of the residential property for which application is made (applicable if applicant is owner)

(e) Annual resubmission by the applicant of the application to Council on the anniversary of the granting thereof and / or on a date determined by Council and communicated to the applicant. Failure to comply herewith shall result in the debtor's indigent status being revoked.

(f) That the onus shall be on the approved indigent debtor to inform the Council of any change in his status or personal household circumstances.

8. Targeting Approach

The policy applies to those who are unable to pay rates and services.

9. Qualification Criteria

An indigent debtor shall qualify for consideration of indigent benefits in terms of the laid down procedures of Council

9.1 *A debtor will be considered:*

(a) *an **indigent** if his / her total household income (excluding child care grants, disability grants and SRD grants) does not exceed the threshold determined by National Treasury annually during the budget process. **The guideline relating to the household threshold is an income of not more than two state pensions per month.***

9.2 *For the purpose of determining the total household income of all applicants, the combined or joint gross income of all occupants / residents / dependants in such household shall be considered (excluding child care grants, disability grants and SRD grants).*

9.3 *Applicants and / or any occupant / resident / dependant of the debtor's household shall not own any fixed property in addition to the property in respect of which indigent support is required from the Council in terms of this Policy.*

9.4 *Applicants shall be:*

(a) *Citizens of the Republic of South Africa in possession of a valid South African Identity Document.*

(b) *Resident at the premises for which application is made within Winnie Madikizela-Mandela Municipality.*

In possession of a service agreement with Winnie Madikizela- Mandela in the name of the indigent debtor.

9.5 *Proof of income: Applicants for indigent support must produce written proof acceptable to the Council of:*

(a) *household income / grants (referring to Old Age Grant) for each member of the household;*

-
- (b) *employment status or low income or reduction in income of each member of the household;*
 - (c) *inability to work of each member of the household.*
 - (d) *all minor members of the household*

The above documentation should be current, i.e. not more than one month old, and should be submitted with the application form.

9.6 *An indigent would qualify for subsidy on one (property) only.*

9.7 *Businesses (formal or informal) are not allowed for indigent.*

10. Application Procedure

10.1 *A debtor should make application for indigent benefits through Data Collectors allocated in each Ward / at the nearest Municipal office on a prescribed data collection electronic gadget.*

10.2 *The application process shall be as follows:*

- (a) *The application form on the electronic data collection gadget shall be completed by the Municipal Official / Data Collector and the applicant*
- (b) *The completed electronically captured form will be signed by the applicant before the Municipal Official / data collector.*

10.3 *The application and all supporting documents would then be scanned on the gadget and the application will be submitted and will go through to the Electronic Verification Service provider for verification.
The applicant will then receive an sms that their application has been received and once there is an outcome, they will get another sms to either approve or decline the application.*

10.4 *A bi-annual report must be submitted, per ward to Council meeting of:*

- (a) *Applications received*
- (b) *Applications approved*
- (c) *Applications declined*
- (d) *Indigent defaulters*

An annual renewal notification in terms of Council's laid down timetable, shall be processed by the municipality.

11. Assistance procedures

11.1 Institutional Arrangement

The indigent Steering Committee of the municipality must establish the application process & should facilitate possible partnerships with other stakeholders so that the communication, registration & verification processes of the indigent households can be shared.

11.2 Dedicated staff for FBS

The municipality must have a dedicated section for FBS under directorate of Community Services. However, it is of utmost importance to note that the Finance Department of the municipality will be responsible for the implementation of FBS.

11.3 Role played by ward councillors, ward committees, CDW's and ISC

- *Identification of indigence at ward level.*
- *Monitoring of the implementation of FBS to the community.*
- *Support structures at community level.*

11.4 Indigent Steering Committee

(a) An Indigent Committee comprising of designated officials and councillors, preferably ward councillors, must be established for the purpose of consideration and finalisation of applications received.

(b) The Indigent Committee must meet on a bi-annual basis.

(c) The Indigent 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.

(d) The Indigent Committee must monitor, i may appoint the implementation of the indigent support programme, subject to the policy directions of the municipality and in consultation with the municipal manager:

11.5 Capacity Building

The municipality must ensure that all officials and councillors are appropriately capacitated in FBS in terms of the following key areas:

- *Database management*
- *Demand and revenue management*
- *Policy and bylaws implementation*
- *Training and workshops should be enhanced within the FBS team*

11.6 Termination of Indigent Support

The indigent support will be terminated under the following circumstances:

- (a) Death of the account holder,*

-
- (b) End of the one (1) year cycle, except in the case of pensioners and child headed households,*
 - (c) Upon sale of property, and*
 - (d) When circumstances in the indigent have improved in terms of a gross income exceeding to time to government pension grant.*
 - (e) If the applicant is found to have lied about his / her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:*
 - All arrears will become payable immediately;*
 - Stringent credit control measures will apply; and*
 - The applicant will not be eligible to apply for indigent support for a period of 3 years*

11.7 Audit and Review

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

12. Penalties and Disqualifications for False Information

As determined by the Indigent and Free Basic Services Support By-Law: -

Any applicant who misuses the indigent support policy of the Council or provides incorrect information to the Municipality and or tampers with the supply of services or municipal installations shall be subject to forfeiture of indigent status, criminal prosecution and other measures as determined by the Council within the Credit and Debt Collection Policy.

13. Exit Mechanism

Members of households registered as indigent should be prepared to participate in exit programmes coordinated by the municipality in collaboration with other government departments and the private sector

As part of its broader poverty reduction Indigent 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 Indigents where possible.

The municipality must promote exit strategy from indigence by -

- Identifying indigents for inclusion in public works projects;*
- Initiating local job creation projects such as cleaning operations, small infrastructure projects, etc;*
- Facilitation of opportunities to enter the informal trade market;*
- Facilitation of food security projects; and*
- Liaison with National and Provincial departments to include indigent persons in their public works Indigents.*

14. Monitoring and Reporting

The Senior Manager Community Services shall report quarterly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:

- (a) Number of indigent households applied,*
- (b) Amount of subsidy allocated per service category,*
- (c) Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrear debtors, ideally divided into wards, domestic, state, institutional and other such divisions;*
- (d) Performance of all areas against targets set in the municipality's performance management system.*
- (e) Changes in the registered status of indigents*

15. Verification of Indigent Register

Council shall have the right to:

- (a) Verify the details provided by an applicant for indigent support;*

Utilise a Service Provider appointed to conduct electronic verification of all applicants.

- (c) Where an indigent debtor is found to be living at a standard inconsistent with his indigent application or fails to allow access or provide any further information as may be required by the Council, such debtor's indigent benefits may be cancelled at Council's sole discretion retrospective to the date of approval.*
- (d) Re-evaluate all indigent households after a period of 12 months or such period as the Council may determine to enable the Council to assess the provision of continued basic services and indigent support to them.*
- (e) For the purposes of transparency the Council, shall cause to be kept a register of all indigent households at Office of the Council containing:*
 - The names of indigent debtors receiving indigent relief for a prescribed period;*
 - The erf or stand numbers where services are rendered to recipient indigent debtors;*
 - The total household income of recipient indigent debtors; and*
 - The number of dependants residing on the property of the recipient indigent debtor; for the perusal by Councillors, Ward Committees and officials.*

16. FBS Communication strategy

- (a) *The Council shall, with the aid of Ward Committees, embark on an extensive community communications programme aimed at informing communities of the contents of this policy and the duty on them to pay service charges and contribute to the funds of the Municipality;*
- (b) *The Council should endeavour to support and, within its capacity, access skills training and other education related programmes aimed at developing the indigent to become self - sufficient and thereby reducing the rate of indigence*

The following methods will be used to communicate with the public:

- *FBS Awareness Campaigns*
- *Stakeholder Engagement Sessions*
- *Traditional Imbizo*
- *Loud Hailing*
- *Churches*
- *Municipal Outreach programmes*
- *Schools*
- *Notice Boards*
- *Flyers*
- *Community Radio Station*
- *Local News papers*
- *Municipal News letter*
- *Social media*

17. Budget Allocation for Indigent Support

- *The Municipality must annually budget for the total indigent subsidy to be granted to indigent debtors in terms of this Policy. Such amount must, upon approval of the budget of the Municipality, be reflected against a separate vote in the name of indigent subsidy.*
- *The total value of indigent subsidies for all subsidised services must be reflected against such indigent subsidy vote on a monthly basis.*

18. Extent of Indigent Support

Council shall annually, determine the overall subsidy for indigent and other debtors within Council's budget process and financial constraints

18.1 *Indigent subsidies may be granted on:*

- *Property Rates,*
- *Refuse removal*
- *Electricity*
- *Alternative Energy*

18.2 *All registered indigent households will, on approval, be designated as:*

- *indigent and shall be charged the determined economical tariff or charge for a service applicable to their designation.*

18.3 *The indigent households monthly account will be credited with the amount of the indigent subsidy as determined by the Council budget according to their designation.*

19. Subsidy allocations

An indigent household shall qualify to receive subsidised services on the following terms and conditions:

19.1 Property Rates

- (a) All owners of residential properties or properties used for multiple purposes, provided one or more components of the property are used for residential purposes would receive a reduction on the rateable value of the property (**currently R 15 000.**) as provided for in section 17 (1)(h) of the Property Rates Act No. 6 of 2004.*
- (b) An indigent who resides in a property which value exceeds the exemption amount as provided for in the Property Rates Act as designated from time to time shall be subsidised for property rates in full.*

19.2 Electricity

- (a) Shall, on approval of his application for indigent support, be transferred to a prepaid energy dispenser.*
- (b) All indigence consumers shall receive the allocated 50Kwh Free Basic Electricity as determined by National Government.*
- (c) Free Basic Electricity shall be dispensed as determined by Council where Council is the service provider.*
- (d) Free Basic Electricity shall be dispensed as determined by Council and ESCOM, where Council is not the service provider.*
- (e) Shall not carry over, from one month to another, the Free Basic Electricity subsidy or any portion thereof allocated which is not claimed. Free Basic Electricity subsidy not claimed, in any calendar month, will be forfeited.*
- (f) Subsidisation shall be withdrawn following disconnection from the electricity supplier due to non-payment of service account and or meter tampering until such time as the requirements have been met as described in Council's Credit Control and Debt Collection Policy.*

19.3 Alternative Energy

Households where there is limited or no electricity is available, may be provided with alternative energy source that is Solar panel through the DMRE program and qualifying Indigent households will be have their solar maintained. This will be done through Winnie Madikizela-Mandela Municipal service providers.

19.4 Refuse Removal

Indigence consumers shall be subsidised in full for refuse removal levies as determined annually by Council.

20. Right of Appeal

- (a) An indigent household application, which has been declined, may appeal against such decision.
- (b) The appeal must be in writing and lodged with the Municipal Manager within 14 days after receipt of the notification setting out:
- (i) The reason for the appeal
 - (ii) Any other documentary proof in support of the appeal.
- (c) The appeal shall be decided: -
- (i) within 21 days after lodgement of the appeal
 - (ii) strictly in terms of the provisions of the bylaw and this policy
 - (iii) by three officials from Finance designated by the Municipal Manager.
- (d) The decision of the committee is final and the appellant shall be notified of the outcome in writing.

21. Review and Amendment of Indigent Policy

The Council has the discretionary power to amend any clause, stipulation or tariff embodied in this Policy in the interests of all the parties concerned at the annual budgetary review of Council policies in conjunction with the consideration of the annual budget of the Council.

SIGNED at: Mbizana on the 29 of May 2026.


L. Mahlaka
Municipal Manager