

SOL PLAATJE LOCAL MUNICIPALITY

INDIGENT MANAGEMENT POLICY



**APPROVED ON THE 29 JUNE 2026
RESOLUTION: C26/06/26**



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PREAMBLE

Sol Plaatje Municipality recognises its Constitutional obligation to give priority to the basic needs of its community, in terms of Sections 152 and 153 of the Constitution of the Republic of South Africa.

To promote the social and economic development of the community and to ensure that all residents and communities in the Municipality have access to a basic level of municipal services.

The Constitution entitles the Municipality to an equitable share of nationally raised revenue, which will enable it to provide basic levels of essential services to the community; and Sol Plaatje Municipality commits its equitable share to the provision of basic services.

Due to the high level of unemployment and consequent poverty in the jurisdiction of the Municipality, there are households which are unable to pay the normal tariffs for municipal services. The Municipality accordingly adopts this Indigent Management Policy to ensure that these households have access to basic municipal services.



1. DEFINITIONS

In this policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended:

- 1.1 “**Municipality**” means Sol Plaatje Local Municipality.
- 1.2 “**Basic Services**” means that level of services delivered by the Municipality at a reduced cost or at no cost to the Indigent consumer and which the Council has considered reasonable and sustainable within budget constraints.
- 1.3 “**Child-headed household**” means a household of only minors under the age of 18 years, being a child as defined in Section 28 of the Constitution, and in which a minor has assumed the role of caregiver in respect of the other minor(s) in the household. This is further described in paragraph 6.2.2 of the policy.
- 1.4 “**Constitution**” refers to the Constitution of the Republic of South Africa, Act 108 of 1996.
- 1.5 “**Gross household income**” means the total combined earnings of the head of the household and his or her spouse(s) who are not alienated from the household. Any other financial contribution towards the household income by any means, by other dependent(s) or occupant(s) must be taken into consideration. Government grants as received by or for dependent minors or disabled occupants (excluding spouses) will be ignored and not be added as a financial contribution towards the household income.
- 1.6 “**Household**” means a family unit comprising a head of the family, being a natural person. The family unit may include spouse(s), blood related or adopted dependents. The household may be further extended by other occupants with or without children who reside on the same premises. All the above (including the extended members) will be deemed to be members of such a household.



1.7 "**Indigent**" means the "lacking the necessities of life". In interpreting this for the purpose of this policy a position has to be taken on the 'necessities of life' in a South African context. The Constitution provides a guide in this regard, leading to the view that the following goods and services are considered as necessities for an individual to survive:

- Sufficient water.
- Basic sanitation.
- Refuse removal in denser settlements.
- Environmental health.
- Basic energy.
- Health care.
- Housing.
- Food and clothing.

Anyone who does not have access to these goods and services is considered indigent.

1.8 "**Indigent consumer**" means the person identified as the head of the household who makes a formal written application on the prescribed form required for the indigent subsidy.

1.9 "**Indigent household**" means a household that has applied for, has qualified, and continues to qualify for indigent support as per this Policy.

1.10 "**Indigent subsidy**" means that portion of the overall support or financial assistance to indigent households that has been allocated to a specific indigent household.

1.11 "**Indigent Income Threshold**" means the qualifying monthly income as described in this Policy.

1.12 "**Pre-paid electricity meter**" means an electricity meter that requires consumers to pay for electricity before using it; and which will allow the flow of the purchased amounts of energy in an electrical circuit.



2. OBJECTIVES

- 2.1 Provide a framework within which the Municipality can exercise its executive and legislative authority regarding the identification of indigent households and the implementation of financial aid to such.
- 2.2 To ensure the provision of basic services to indigent households within the jurisdiction of the Municipality in a sustainable manner and within the financial and administrative capacity of the Municipality.
- 2.3 To ensure the establishment of procedures and guidelines for the effective subsidisation of basic services charges to such approved indigent households within budgetary and national grant guidelines.

3. SCOPE OF THE POLICY

Sol Plaatje Municipality adopts this policy in order to provide:

- 3.1 A framework for the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Municipality;
- 3.2 Procedures and guidelines for the subsidisation of basic services to poor people using the Municipality's budgetary allocation, supported by the equitable share;
- 3.3 Fair criteria and a consistent, transparent and reasonable threshold for qualification of indigent households and appropriate subsidies, consistent with the Municipality's Tariff Policy.

4. FAIR ADMINISTRATIVE ACTION

- 4.1 The Constitution entitles everyone to administrative action which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.



4.2 The Promotion of Administrative Justice Act 3 of 2000 is the legislation required by the Constitution to give effect to the right to just administrative action and in order to promote an efficient administration and good governance and to create a culture of accountability, openness and transparency in public administration or in the exercise of a public power or the performance of a public function.

4.3 This policy incorporates the above principles by providing parameters and procedures to guide the Municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the Municipality will act in the circumstances covered by the policy and uniformity of action on the part of its officers.

4.4 The Municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

5. SERVICES SUBSIDISED

5.1 The Municipality will provide free of charge, a basic level of services by subsidising the tariffs applicable thereto in terms of this policy and its Free Basic Services Policy.

5.2 The Municipality may also subsidise assessment rates on immovable properties of below a determined value as provided for herein, owned by persons qualifying for indigent support.

6. QUALIFICATION CRITERIA FOR INDIGENT SUPPORT

Sol Plaatje Municipality recognises five categories of indigent households and organisations aiding the indigent, namely:

- Income Indigent
- Child-headed Households



- Indigent by way of Geographic Area
- Organisation assisting the indigent
- Exceptional Circumstances

The Municipality also recognises the plight of old age homes and in turn offers free basic services as a package in terms of the criteria set out.

The requirements for these categories may vary and overlap as prescribed in the policy.

6.1 INCOME INDIGENT

6.1.1 Indigent support is provided to a household upon successful application by an individual applicant who is the holder of a municipal account, supported by valid service agreements for the provision of municipal services to the property in which the household resides.

6.1.2 A household qualifies for indigent support if the verified **total gross monthly income of all occupants in the household over 18 years of age**, including all rental income derived from any dwelling on the property, **does not exceed R6000 per month**, or any such other amount as Sol Plaatje Municipality may from time to time set. In the calculation of this household income, all government grants such as pension, child welfare, shall be disregarded.

6.2 CHILD-HEADED HOUSEHOLDS

6.2.1 A child-headed household is one where the eldest caretaker of the property and its occupants is younger than 18 years.

6.2.2 Child-headed households shall qualify for subsidisation in line with this policy. A child shall be any person who is 18 years and younger. Such applicants shall be assisted by the ward Councillor and all documentary proof shall serve as evidence prior to qualification.



Upon reaching the age of majority, their indigent status may be reviewed, also taking into account paragraph 6.2.3 below.

6.2.3 In cases where the person responsible for the family is older than 18 years but less than 21 years, and is unemployed, the beneficitation from indigent subsidisation may be extended further under the criteria as per paragraph 6.2.2 above and 6.6 below.

6.3 GEOGRAPHIC AREA

It is recognised that some areas within Sol Plaatje Municipality have concentrated indigent populations. This is as a result of Low-Cost Housing projects or more affordable housing in certain areas for the low end of the market.

These areas are determined by the following criteria:

- 6.3.1 Approximate / average property valuations
- 6.3.2 Payment ratios for the area
- 6.3.3 Whether or not they pay a flat tariff.

6.4 ORGANISATIONS ASSISTING THE INDIGENT

6.4.1 Any organisation incorporated not for gain and reliant on government or other funding, and which may charge the residents a fee which is prescribed by government as a condition of such funding, may qualify for free basic services in terms of this policy and the Free Basic Services Policy.

6.4.2 The value of the free basic services package is calculated by the number of rooms or beds available multiplied by the free basic services package. E.g. an old age home which has 15 beds may



qualify, subject to the other criteria listed above, for the free basic services to an amount multiplied by 15.

6.5 EXCEPTIONAL CIRCUMSTANCES

6.5.1 This policy attempts to assist our indigent community in general but it is understood that there are sometimes exceptional circumstances which this policy cannot foresee and which ordinarily would not be provided for in the qualification criteria.

6.5.2 For this reason, the Municipal Manager may consider individual applications made containing exceptional circumstances which would, ordinarily and by the criteria listed in the policy, overlook such circumstances. For example, pensioners who are members of medical aid schemes, or families looking after disabled children or severely sick persons, may apply for an indigent subsidy. Such applications shall be considered based on these extra-ordinary circumstances and merits.

6.5.3 The Indigent Management Section shall liaise with the Department of Health and the Department of Social Development depending on the circumstances so presented in the application. The approval of such application shall be recommended by the CFO to the Municipal Manager.

6.6 GENERAL

6.6.1 For a household to qualify for indigent support in respect of services, the applicant must be a full-time occupant and accountholder of the property concerned and may not be in receipt of support in respect of another household, whether within or outside the Municipality's jurisdiction.



6.6.2 **If a household has successfully applied for a rebate on rates for any immovable property owned within the Municipality jurisdiction, they will not qualify for indigent registration.**

6.6.3 For a household to qualify for a rebate on services, or to benefit from any debt write-off in terms of the Municipality's Debt Write-off Policy, a pre-paid electricity meter must be installed at the subject property. If the applicant refuses the installation of a prepaid service meter the application will be cancelled.

6.6.4 A household cannot qualify for indigent registration if a business, whether formal or informal such as a tuck shop or tavern, is being operated from the property in which the household resides.

7. APPLICATION PROCEDURE

An applicant wishing to apply for indigent support for a household must complete an application form attached hereto as annexure "A" which shall be accompanied by at least the following documents:

7.1 an affidavit declaring on oath employment status and/or income in respect of all members of the household over 18 years of age and their full names and identity numbers;

7.2 documentary proof of income in respect of all such persons (e.g. letter from employer, salary advice, pension slip, affidavit of income if self-employed, letter from SARS);

7.3 a copy of the applicant's identity document;

7.4 An applicant for indigent support, shall in the application form, authorise the Municipality to verify the information provided therein through access to the applicant's returns to the South African



Revenue Service or through any other agency as the Municipality in its sole discretion shall determine.

- 7.5 An applicant for indigent support, shall in the application form consent to the processing of their personal information by the Municipality, for the approval of the applicant's indigent registration.
- 7.6 The Municipal Manager or his/her delegate must explain to each applicant, the content of this policy, the application form and the consequences of submitting an application for indigent support and counter-sign the application form in certification that the applicant confirmed his/her understanding of such explanation.
- 7.7 **The Municipal Manager or his/her delegate may send a representative to the property of an applicant for indigent relief to conduct an on-site audit and verification (investigation) of information provided by the applicant.**
- 7.8 An application shall be considered and determined by the Municipal Manager or his/her delegate with due regard to the information contained therein and the report, if any, of an on-site audit and advise the applicant in writing of his/her decision. If an application is not approved, the applicant will be provided with written reasons for the Municipality's refusal.
- 7.9 Such verification shall take place within the validity period of the indigent status (two years). As such, the applicant shall be considered to provisionally qualify for subsidisation upon receipt of all documents required at application stage. The verification shall confirm the status as soon as it is done, within two (2) years from date of provisional qualification.
- 7.10 Should the verification process provide information contrary to the information submitted with the application, the applicant shall be charged with the value or amount of subsidy given, and these shall



be charged against the municipal account of that property **(reversal)** and the Credit Control policy shall apply to recover the loss.

- 7.11 An application shall be approved for a maximum period of 2 (two) years. Thereafter a new application must be made and captured.

8. ALTERNATIVE APPLICATION AND QUALIFICATION PROCEDURES

- 8.1 The Municipality, as an appointed agent of Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs ("**COGHSTA**"), in the implementation of Low-Cost Housing Development, may utilise the information of all applicants as approved by the Department with regards to housing subsidies.
- 8.2 Due to the qualification criteria for a housing subsidy being in line with the criteria to qualify for indigent households support in the form of free basic services, all housing beneficiaries shall qualify automatically upon completion and handing over of keys. The list of beneficiaries from COGHSTA will be utilised to assist families in opening a municipal account.
- 8.3 In the case of deceased beneficiary/ies before the handing over of keys, the spouse or the children of the beneficiary/ies shall be permitted to open the account provided they meet the criteria as per clause 6 and 7 above.
- 8.4 Verification of applicants who qualified solely using the list of beneficiaries for Housing subsidies shall take place within 2 (two) years from date of qualification.



9. BI-ANNUAL RE-APPLICATION

- 9.1 A recipient of indigent support, must re-apply for such support and registration in the Municipality's records as an indigent, on or before the last day of June two years following his/her registration as an indigent, **failing which the Municipality will automatically terminate his/her indigent support.** The Municipality does not warrant that any such re-application will be successful.
- 9.2 The Municipal Manager or his/her delegate will inform an applicant who has re-applied for indigent status on the outcome of his/her re-application and should it not be approved, provide reasons for its refusal.

10. BREACH OF OR NON-COMPLIANCE WITH CONDITIONS OF SUBSIDY

- 10.1 If a recipient of indigent support fails to comply with this policy, or breaches or otherwise fails to comply with any condition of the subsidy of such status, or should his/her circumstances or those of the household in respect of which he/she applied for indigent support change materially; the Municipal Manager or his/her delegate, shall be entitled to terminate his/her status as an indigent and the provision of indigent support with immediate effect and such person shall revert to the status of ordinary account holder for the financial year in question.
- 10.2 A recipient of indigent relief bears the onus to inform the Municipal Manager or his/her delegate of any material change in his/her circumstances or those of his/her household, such as would disqualify him/her from receiving such relief and may request de-registration as an indigent at any time.



- 10.3 Without in any way limiting the grounds upon which the Municipality would be entitled to terminate such relief; indigent relief to any recipient will be immediately terminated:
- i. if the recipient fails to comply with this policy or the agreement of grant of such relief;
 - ii. if the supply of electricity and/or water including the meter system in the property of a recipient of indigent relief is in any way tampered with;
 - iii. if the household income of a recipient of indigent relief increases beyond the qualifying threshold;
 - iv. if the recipient of indigent relief (i.e. the applicant) dies;
 - v. if the property of the recipient of indigent relief is used to conduct any business activities;
 - vi. if the recipient of indigent relief ceases to personally occupy the property in respect of which such relief has been granted, or rents or sells the property.
- 10.4 Should it be determined at any time, that a recipient of indigent relief knowingly or fraudulently provided false information to the Municipality in any application or re-application, such person shall immediately be removed from the register of indigents and shall become liable to repay to the Municipality an amount equivalent to the indigent support received by him/her, from date of grant thereof, as well as all debt written-off from said date, and shall not again be considered for indigent relief for a period of 2 (two) years or such other to be determined by Sol Plaatje Municipality from time to time.
- 10.5 If a recipient of indigent relief, whose debt has been written-off consequent upon the grant of indigent support, sells the property in respect of which such support was granted, or conducts a business, or allows a business to be conducted from said property, within a



period of (2) two years with effect from his/her last registration as an indigent then the following shall occur:

- i. the recipient shall become liable to repay to the Municipality the total amount of indigent support received by him/her during the said 2 (two) year period;
- ii. the debts written-off shall immediately become due and payable to the Municipality;
- iii. the provisions of 10.5(ii) above shall also be applicable should the Municipality approve plans for the building of a house or extension to a house on the property during said (2) two-year period;

11. PREPARATION AND MAINTENANCE OF AN INDIGENT REGISTER

- 11.1 The Municipal Manager or his/her delegate will be responsible for the preparation and maintenance of a data base constituting a register of all recipients of indigent support.
- 11.2 The Municipal Manager or his/her delegate will be entitled to visit and enter any property which is the subject of a grant of indigent relief; or to require the recipient of such relief to provide such information as he/she may request: for the purposes of verification or audit of information supplied by the recipient of indigent relief or the current circumstances of the household in question.

12. SUBSIDIES MAKING UP INDIGENT SUPPORT

Indigent support to qualifying households shall consist of a package of subsidies on the tariffs applicable to the services as per the Free Basic Services Policy.



13. PROPERTY RATES AND TAXES

- 13.1 Property rates and taxes shall be levied in accordance with the Rates Policy of the Municipality.
- 13.2 Any rebates or subsidies for property rates and taxes shall be determined in terms of the Municipality's Property Rates Policy and in conjunction with the approval of its budget and shall be contained in the budget resolutions.

14. ARREAR CHARGES - REGISTRATION AS AN INDIGENT

- 14.1 Accumulated arrears on the municipal account of an indigent accrued prior to his/her registration as such, shall be suspended and subsequently written off.
- 14.2 **An indigent accountholder may only benefit from a write-off once, irrespective of the number of successful subsequent registrations.**

15. INDIGENT ACCOUNTS MONITORING

If it is evident that the household is consuming more than the subsidised amount provided for in terms of this policy and such additional amounts are not being paid for by the respective due dates, said applicant will be served with a warning notice stating that:

- their use of services are in excess of what is subsidised;
- such excess is not being paid by the respective due date;
- if the consumption is not within the subsidised amount and an acceptable arrangement has not been made for any arrears, action will be taken in terms of the Credit Control Policy.



16. IMPLEMENTATION AND REPORTING

16.1 The Municipal Manager or his/her delegate is responsible and accountable for the implementation of this policy. Sol Plaatje Municipality delegates to the Municipal Manager all the necessary power and authority to effect such implementation, subject to the provisions of this policy.

16.2 The Municipal Manager or his/her delegate shall submit a monthly report to the Executive Mayor on the implementation of this policy, containing at least the following information:

- i. the number of households registered as indigent and a brief explanation of any variation in that number since the prior report;
- ii. the monetary value of subsidies and rebates constituting indigent support for the reporting period and cumulatively for the financial year to date;
- iii. the amount budgeted for the provision of indigent support and the balance available.
- iv. The number of households/accounts and value of arrear amounts written off.

16.3 The Executive Mayor shall in turn report on the above matters to Sol Plaatje Municipality on a quarterly basis.

17. REVIEW OF THIS POLICY

This policy shall be reviewed annually in conjunction with the Municipality's budget process.



18. IMPLEMENTATION DATE

The amendments contained herein become effective and wholly enforceable from the 1st July 2026.



ANNEXURE A – APPLICATION / REGISTRATION FORM