

LEPELLE – NKUMPI MUNICIPALITY

DRAFT INDIGENT POLICY

2025/2026 FY

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1. DEFINITIONS

- 1.1. “Arrangement” A written agreement entered into between the municipality and the debtor where specific repayment parameters are agreed to.
- 1.2. “Arrears” Means those rate and services charges that have not been paid by the due date.
- 1.3. “Constitution” The Constitution of the Republic of South Africa, Act No. 108 of 1996;
- 1.4. “Council” The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa Act 108 of 1996;
- 1.5. “Credit Control” All the functions relating to the collection of monies owed by ratepayers and the users of municipal services;
- 1.6. “Infrastructure” A building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;
- 1.7. “Indigent support” Support provided by Municipality for water, electricity, refuse removal and disposal, sanitation, rates and taxes and all related and ancillary services;
- 1.8. “Interest” A charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on all related and ancillary services;
- 1.9. “Municipal account” An account rendered specifying charges for services provided by the municipality, or any authorized and contracted service provider, and/or assessment rates levies;
- 1.10. “Municipality” the Lepelle-Nkumpi Local Municipality;

- 1.11. “Municipal Manager” The person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated;
- 1.12. “Municipal services” Those services provided by the municipality, such as , inter alia the supply of water and electricity, refuse removal and disposal, sewerage treatment, and for which services charges are levied

2. PURPOSE

To determine how the municipality will assist members of the community that cannot afford basic municipal services as enshrined in the Constitution. To ensure that lives of the underprivileged members of the community are improved through provision of affordable and quality services.

3. LEGISLATIVE AUTHORITY

Section 27(1)(b) of the South African Constitution Act, 1996 (Act 108 of 1996) states that:

- Everyone has access to sufficient food and water.

Section 74.2© of the Local Government Municipal Systems Act, 32 of 2000 states that:

- Poor households must have access to at least basic services through
 - Tariffs that cover only operating and maintenance costs;
 - Special tariffs for basic levels of services; and
 - Any other direct or indirect method of subsidization of tariffs for poor households

Section 97(1)© of the above-mentioned Act states that a municipality must make provision for indigent debtors that are consistent with its rates and tariff policies and any national policy on Indigents.

3.1 BACKGROUND

Limpopo province is one of the poorest in the country, with approximately 14% of households having no form of income when compared to the National trends which stands at 15%. Lepelle-Nkumpi has a very high level of poverty, with more than 15% of households without any form of income.

Lepelle-Nkumpi municipality is one of the four local municipalities within Capricorn district municipality in Limpopo province and is located in the southern part of the Capricorn District. The municipality is pre-dominantly rural with a population of approximately 233 925 people. It covers 3 464.00 hectares and is divided into 30 wards which comprise a total of 94 settlements. About 95% of its land falls under the jurisdiction of Traditional Authorities.

4. POLICY OBJECTIVES

The principles that underpin the development of this policy are:

- 4.1 The urgent need to address the high levels of poverty in communities within the municipality;
- 4.2 The Constitutional obligations of the municipality to provide basic municipal services to the poor in a sustainable and affordable manner.
- 4.3 To ensure that no member of the community is denied access to basic services as a result of inability to pay for such a service.
- 4.4 Ensure that every citizen has access to affordable basic services

5. DEFINITION OF AN INDIGENT

It refers to households who, due to socio-economic factors, are unable to make a full and required monetary contribution towards services provided by the Municipality.

The following are recognized as categories of indigents:

- A family with a household income of less than R3 980, irrespective of source of income.
- Child-headed families (Unemployed)
- Pensioners
- Orphans (Underage and/ Unemployed)

6 IDENTIFICATION OF AN INDIGENT

6.1 Any person may apply to the Municipality, in the manner prescribed below, to be registered as an indigent. If it is within the municipality's capacity, the following methods may be utilized as alternatives to self-targeting currently used by the municipality:

6.1.1 Survey by means of house to house

6.1.2 Data from Statistics South Africa.

6.1.3 Data extracted from the municipality's Valuation roll

6.2 The following requirements must be met before a person can be identified as an indigent:

6.2.1 The applicant must be over eighteen 18 years of age.

6.2.2 The total household income per month must be less than R3 980,

6.2.3 The applicant must occupy the site legally.

6.2.4 The applicant must be the owner/beneficiary of the property and not own any other property within or outside the parameters of the municipality.

7 TERMS AND CONDITIONS

7.1 This indigent support is provided by the Municipality free of charge.

7.2 Excess consumption by the indigent consumer shall be dealt with in accordance to the approved credit control and debt collection policy.

and will be levied on normal municipal tariffs.

7.3 The Municipality reserves the right to install a pre-paid meter should the indigent consumer fail to manage his/her consumption.

7.4 The indigent support shall be provided to indigents that own only one property and at the property where the indigent currently resides;

7.5 For water supply, the indigent's supply may be restricted by a flow-control washer to be installed in the meter.

7.6 The indigent must be a South African or have South African permanent citizenship.

7.7 Only Indigent household with a number of members shall receive greater allocation of free basic services upon thorough investigation of socio -economic status.

7.8 The indigent consumer or his family must inform the Municipality should the circumstances within the household change, e.g. financial status, employment status, death of the registered indigent, etc.

7.9 The indigent consumer must inform the Municipality of any tampering/vandalism that can be observed on the municipal devices(e.g. meter)

8 Upon approval, arrear accounts will be written off and the indigent consumer will be responsible for the current account. The consumer MUST complete a declaration form in which he/she accept liability of the current account.

8.5 The Municipality will inform the consumer, in writing about the status of the subsidy application.

8. INDIGENT SUPPORT

8.1 WATER SERVICES

- A 100% subsidy up to 6kl per household per month as per the Indigent Policy of Capricorn District Municipality as the Water Service Authority.

8.2 SANITATION SERVICE

- 100% subsidy on sanitation up to 6kl water consumption per month as per the Indigent policy of Capricorn District Municipality as the Water Service Authority.

8.3 REFUSE REMOVAL

- According to a tariff as determined by council.

8.4 ELECTRICITY

- A subsidy of 50kwh per household per month. Provision of Free Basic Electricity will be made by the electricity distributor (Eskom) and be paid for by the municipality.

8.5 ASSESSMENT RATES AND TAXES

- 50% of the levied amount

9. APPLICATION PROCEDURES

9.1 All persons must apply using the Application Form for Indigent Support which can be obtained at:

Physical Address:	Lebowakgomo Traffic Station
Contact Person:	Admin Clerk :Indigent and Disaster
Telephone Number:	(015) 633-4500/4546
Facsimile Number:	(015)633-6896
Postal Address:	Private Bag X07 Chuenespoort 0745

ALTERNATIVE POINTS WHERE FORMS CAN BE OBTAINED	
Physical Address:	Municipal Civic Offices
Contact Person:	Revenue Manager
Telephone Number:	(015)633-4500
Postal Address:	Private Bag X07 Chuenespoort 0745

9.2 The forms can be requested telephonically or by facsimile at the contact numbers provided and other additional information given to the indigent beneficiaries to access the services.

- 9.2.1 The applications forms can be acquired from Municipal website at www.lepelle-nkumpi.gov.za.
- 9.2.2 Due to Covid -19 restrictions other Public areas like Moshate, Traditional authorities ,other Community Facilities with notice board will have regular Indigent register information . (
- 9.2.3 Link indigent with EPWP policy
- 9.2.4 Should have database of the unemployed people with EPWP and Indigent
- 9.2.5 The above beneficiaries in the database should be able to access the RDP houses

9.3 The completed indigent application forms can be submitted in person at the Municipal Traffic Offices.

9.4 The applicant must submit the following information:

- 9.4.1 A completed application form duly signed;
- 9.4.2 Proof of residence or letter from Traditional Authority within the Municipality's jurisdiction;
- 9.4.3 A copy of the applicant's Identity document;
- 9.4.4 Proof of income (e.g. copy of latest pay slip, pension advice)

- 9.4.5 Proof of ownership of the property where services are to be provided.
- 9.4.6 A sworn affidavit by the tenants, if any confirming the amount of rent they pay to the indigent;
- 9.4.7 A social worker's report, if applicable and shall be provided at the request of the municipality;
- 9.4.8 Proof of registration as unemployed from the Department of Labour (in respect of unemployed)
- 9.4.9 Electricity and water meter numbers, if any;
- 9.4.10 Copy of latest bank statement(where applicable)
- 9.4.11 Recent municipal account/statement, if applicable;
- 10 .An applicant who is an heir of a deceased person's (indigent) property must in addition to the information required above, provide:
 - 10.2.1 A copy of death certificate;
 - 10.2.2 A copy of Deed of Grant;
 - 10.2.3 Proof that the property was inherited by the applicant, if applicable
 - 10.2.4 Certificate of appointment as an executor of the estate of the deceased from the Magistrate, if applicable.
- 10.3 The Municipality may request any additional information which is considers necessary and may inspect the property occupied by the applicant and in respect of which municipal services are rendered or are to be rendered to assess the merits of the application
- 10.4 No person may to any degree or in any manner, deviate from the conditions of the Municipality contained in this Policy, and any deviation shall constitute a contravention of this policy and consequently negates an approval or lead to the withdrawal of benefits.

11.RENEWAL OF APPLICATION

- a. Registration of an indigent policy shall be done on a bi- annual basis.
- b. Review of indigent register will be done bi-annually. Regular update of the indigent register shall be done as and when the socio-economic status of the indigent changes.
- c. The review of indigent register to be done on period of 36 months

12.VERIFICATION OF INDIGENTS

- d. The Municipality shall make public the indigents register for comments by members of the community. The public shall be entitled to lodge objections to the register in respect of any person's qualifications as an indigent.
- e. The municipality may appoint inspectors, community development workers

12.2.1 Recommendation by Indigent Committee.

13.2.2 Recommendation by the Social Worker.

- f. The Indigent committee which comprises of the following people shall be formed:
 - i. A municipal Official (Elected by the Accounting Officer)
 - ii. Representative from CDM responsible for Indigent Free basic services
 - iii. Representative from Eskom responsible for Free basic Electricity
 - iv. Representative from Budget and Treasury revenue section

13. WITHDRAWAL OF INDIGENT SUPPORT

The Municipality shall be entitled to withdraw any approval and/or indigent support provided under the following conditions:

- g. Failed to comply and/or contravenes the provisions of this policy or any other laws, regulations, by-laws;
 - h. Providing the Municipality with false and /or incorrect information (in this instance, the municipality shall claim all the benefits granted to the consumer).
 - i. Death of the person registered as indigent
 - j. Improvement of the indigent status, e.g. income, employment.
 - k. Any other circumstances which justifies the withdrawal of the indigent support but have not been specifically provided for in this policy.
 - l. If the indigent sells or move the property in which event the support shall not automatically be transferred to the new property owner. In this regard, the indigent shall re-apply for the provision of indigent support.
- engagement with the consumer to do so.

12. APPEAL PROCEDURES

- a. An unsuccessful applicant has a right to appeal, in writing against the decision of the municipality.
- b. Appeals shall be coordinated by the municipal manager or any other forum which

the municipality may establish for this purpose, unless the municipal manager was the decision maker in which event, the mayor shall be responsible for coordinating the appeals.

13. INDIGENT DEBTORS AND CREDIT CONTROL

- a. The Municipality has the obligation to take effective action to address arrears owing to the municipality. Accordingly, indigents are:
 - i. Liable for any amounts due as a result of consumption in excess of the indigent support;
 - ii. Normal municipality's tariff shall be applicable in respect to all excess consumption
 - iii. Approved Municipal Credit Control Policy will be applicable to indigents who do not pay their accounts as required.

14. FUNDING

- a. The indigent support provided in terms of this Policy shall be subject to the Municipality's ability to afford the support.
The following are various sources of funding which the Municipality undertakes to use in order to fund indigent support:
 - i. The Equitable Share grant provided by the National Government for purpose of funding free basic services;
 - ii. Cross subsidization between municipal services and within the limits of the Systems Act;
 - iii. To the extent possible, the Municipality's revenue;
 - iv. Any other grants which the Municipality receive and/or is able to source from donorsfor free basic services.

15. IMPLEMENTATION OF THE POLICY

- a. This policy will be implemented as soon as approved by the council of Lepelle-Nkumpi Municipality.
- b. This policy shall be known as Indigent Policy for Lepelle-Nkumpi Municipality.

16. CONCLUSION

Through this policy, the Council endeavor to achieve the following:

- a. Ensure equitable treatment of all people residing within the jurisdiction of Lepelle-Nkumpi Municipality.
- b. To improve the level of cost recovery for services rendered other than free basic services.

- c. To promote consistency, clarity and achieve the mission and objectives of
Lepelle-Nkumpi Municipality.

POLICY APPROVAL

Resolution Number	
Approval Date	
Signature	

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