INDIGENT POLICY

2026/2027 FINANCIAL YEAR

APPROVED BY:

MR M.NAKO

MUNICIPAL MANAGER

DATE: 22/06/2026

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DATE: 22/06/2026

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A. Premeable of the Indigent Policy

The Mbhashe Local Municipality Council accepts and acknowledges its constitutional duties and mandate relating to indigent support in terms of Section 152 and 153 of the constitution of the Republic of South Africa,1996 (act 108 of 1996) towards the Community/consumers within the jurisdiction of Mbhashe Local Municipality.(EC121)

Council further acknowledges that because of the level of unemployment and consequential poverty on the Municipal area and there are households incapable of paying for basic Municipal services. Indigent relief measures are thus a fundamental requirement that is achievable only within suitable budgets set by the Council as well as support and direction via National Government.

Concomitantly, indigent households equally have the responsibility of managing their levels of consumption and they are responsible for the payment of Municipal services that are consumed in excess if reduced cost of Free Basic Services (FBS) as described in the policy.

The effective implementation of such a programme depends principally on the affordability and support by the socio—economic analysis of various areas as included in the Council Integrated Development Planning (IDP).The Council mandate regarding affordability of basic services to poor households is directed by mechanism in Section 74(2)© of Local Government Municipal Systems Act ,2000(Act 32 of 2000) and Section 15 of Local Government Property Rates Act ,2004 (Act 6 of 2007)

Abbreviations:

ADM: Amathole District Municipality
RSA: Republic of South Africa
FBS: Free Basic Services
COGTA: Cooperative Governance and Traditional Affairs
FFC: Financial and Fiscal Commission
IR : Indigent Register
IDP :Integrated Development Plan
MSA: Municipal Systems Act
RDP: Reconstruction and Development Programme
DWAF: Department of Water Affairs and Forestry
WHO: World Health Organisation

DEFINITIONS

"child headed household" means a household where both parents are deceased and where all occupants of a residential property are children of the deceased and all are under the legal age to contract for municipal services and are considered as minors in law by the state;

"household" means as a registered owner or tenant with children who reside on the same residential premises;

"indigent" means any household -

(a) which is responsible for the payment of fees and/or charges for municipal services and rates;

(b) of which the members thereof earn a combined grossly monthly income equivalent to or less than two times the Government pension grant as prescribed by the National Department of Social Development in line with the National Indigence Framework issued by the Department Local Government (DPLG); and

(c) which qualifies, in accordance with this policy, for rebates/remissions, support or a services subsidy; and

(d) which includes pensioners, unemployed and child-headed households -

all of which are unable to fully meet their obligations for municipal services consumed and also property taxes on their monthly accounts from the municipality provided that a "pauper" shall not, for purposes of this policy, be regarded as "indigent";

"**Indigent Management System**" means an electronic management system used by Mbhashe Local Municipality for the management of the register of indigent households;

"municipality" means Mbhashe Municipality a local municipality established in terms of section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorized agent or any employee acting in connection with this policy by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee, as the case may be;

"Free Basic Services officer" means an official duly authorised by the municipality or an employee of a service provider appointed by the municipality who shall be responsible to ensure that assessments, screening and site visits in terms of this policy are undertaken;

"occupier" means the person who controls and resides on or controls and otherwise uses residential 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;

"indigent register" means the Microsoft Access database updated on a monthly basis and which is designed to contain all the captured data contained on completed indigent application forms, including the following items of key information:

- Indigent customer details
- Socio-economic details
- Skills details

In addition, the indigent register is capable of providing reports relating to, but not limited to the following:

- Indigent application exceptions
- Skills reporting required for LED/exit strategy
- Socio economic reporting

"owner", in relation to residential immovable property, means -

(a) the person in whom is vested 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 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 is a 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;

"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

1. INTRODUCTION

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

The municipality must, therefore, at all times, strive to fulfil the constitutional objectives as contemplated in section 152 of the Constitution and also meet the criteria for a credible indigent policy as laid down in the Credible Indigent Policy Assessment Framework, 2008 provided by the Department of Local Government.

The successful implementation of this policy depends totally on affordability and a reference to social analysis of the area should be included in the municipality's IDP. With regard to affordability, the foundation is contained in section 74 of the Municipal Systems Act, 2000 which prescribes that poor households must have access to basic service through tariffs that cover only the operating and maintenance costs.

The municipality accordingly adopts an indigent support policy which embodies an indigent support Free Basic Services not only providing procedures and guidelines for the subsidisation 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.

2. POLICY PRINCIPLES

In recognition of the abovementioned National Framework, the municipality undertakes to promote the following principles:

(2.1) Equity

This implies that all people in a similar position should be treated similarly. The municipality must differentiate fairly between those in different circumstances, and treat them appropriately according to their different circumstances.

(2.2) Sustainability

The policy must be financially and environmentally sustainable. This assumes a judicious long term approach to the use resources in both Finance and Social Services sections.

(2.3) Reasonable choices

The policy shall enable all households, including indigent households, to take responsibility and make choices wherever possible that best suit their circumstances.

(2.4) Inclusivity

Income and indigent policies for poor Mbhashe Local Municipality residents must be integrated seamlessly with income policy for all other citizens. As households'

circumstances change they should be able to shift relatively easily across the continuum of choices.

(2.5) Implementable

The indigent Policy must be administratively practical and implementable. Both Social Services and Finance shall play a key role to implement the policy.

3. POLICY OBJECTIVES

In support of the above principles, the objects of this policy are to ensure the following:

(3.1) the provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;

(3.2) the financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;

(3.3) the establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;

(3.4) the provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and

(3.5) co-operative governance with other spheres of government;

(3.6) to enhance the institutional and financial capacity of the municipality to implement this policy.

(3.7) The Indigent Support Policy will seek to provide support to the registered indigent households by providing:

- Free basic municipal services;
- Alternative energy sources;
- Employment opportunities

4. THE LEGISLATIVE FRAMEWORK

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

- The Constitution of the RSA, 1996;
- The Municipal Structures Amendment Act, 2000 (Act No. 33 of 2000)
- The Municipal Systems Act, 2000 (Act 32 of 2000);
- The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- The Promotion of Access to Information Act, 2000 (Act 2 of 2000);

- The Property Rates Act, 2004 (Act 6 of 2004).

5. QUALIFICATION CRITERIA

Qualification criteria for indigent support shall be determined by the municipality from time to time, provided that until the municipality determines otherwise, the following criteria shall apply:

(5.1) the applicant must be a resident of the municipality.

(5.2) the applicant must be in possession of a valid South African identity document.

(5.3) the combined or joint gross income of all occupants or dependants in a single household which receives services from the municipality may not exceed the thresholds determined by the municipality annually during consideration of the budget for the next financial year. The guideline relation to the household income threshold for a 100% rebate is an income of not less than two state pensions per month.

(5.4) the applicant must be the owner not a tenant who receives municipal services and is registered as an account holder on the municipal financial system and General Valuation Roll; provided that the requirement of being registered as an accountholder does not apply to households in informal settlements and rural areas to whom no accounts are rendered.

(5.5) any occupant or resident of the single household referred to above should not own any property in addition to the property in respect of which indigent support is provided.

(5.6) a tenant can apply for a benefit in terms of this policy in respect of the charges he/she is billed for provided that the landlord shall still be liable for all ownership related charges such as rates.

(5.7) the account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased, who occupy the property, apply for the assistance provided in this policy.

(5.8) Rateable house value of less than R 246 000.00

(5.9) Any one of the following factors will serve as a disqualification:

5.9.1 Where the applicant has or allows any business to be operated on the property
5.9.2 Where there is no written service agreement with the applicant;
5.9.3 Where the applicant owns more than one property
5.9.4 Where any of the documents requested in the application is not supplied.

6. TARGETING OF INDIGENT HOUSEHOLDS

The effective targeting of indigent households and the implementation of this policy will depend largely on the social analysis included in the IDP, the LED initiatives and other poverty relief Free Basic Services of the municipality. The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent households.

Against the background of such socio-economic analysis, the municipality must within its financial and institutional capacity, decide which targeting approach or option should be applied. Depending on the extent of capacity, the municipality may apply any or a combination of the following targeting methods:

Targeting Approach	Application
1. Service levels	Lowest service levels normally in informal settlements and rural areas.
2. Service consumption	Metered services in urban and rural areas.
3. Property value	Applicable only to registered indigents in respect of subsidised or RDP housing to a value determined in addition to the R 246 000.00 compulsory reduction in terms of the Municipal Property Rates Act, 2004.
4. Household income	Threshold determined in terms of socio-economic analysis.
5. Geographical (zonal) targeting	Specific areas (rural or urban) where households are regarded as poor irrespective of service level.

7. EXTENT OF INDIGENT ASSISTANCE AND SUPPORT

The extent of the monthly indigent support granted to indigent households will be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

Within the abovementioned budgetary process and, in striving to create a situation where poor households will be granted access to a full social package, the following assistance and support may be granted:

7.1 Water (Where applicable)

Each registered indigent household shall receive water fully subsidised to a maximum of 6 kl per month provided that: -

(7.1.1) where the household consumption exceeds 6kl per month, the municipality shall be entitled to restrict water supply to the property concerned in accordance with its applicable policy or by-law.

(7.1.2) where excessive consumption is partly due to leaking water pipes or infrastructure or poor plumbing, the municipality may install a yard connection to the outside of the dwelling concerned or at an appropriate point and meter the consumption to the property concerned.

7.2 Electricity (Where applicable)

Each registered indigent household shall receive electricity fully subsidised to a maximum of 50 kWh per month. This subsidy may also apply to registered indigent households in rural areas where the municipality is the electricity supplier while agreements with Eskom, where the latter is the supplier, may be negotiated to support such households.

7.3 Refuse removal

Each registered indigent shall be fully subsidised on a monthly basis for refuse removal as provided for in the council's tariff policy and annual budget.

7.4 Sanitation (Where applicable)

Each registered indigent shall be fully subsidised on a monthly basis for sanitation as provided for in the council's tariff policy and annual budget.

7.5 Property Rates

Each registered indigent shall be subsidised on a monthly basis on rates due as provided for in the annual budget of the municipality and the municipality's Rates Policy.

7.6 Burials

In the event of the death of a member of an indigent household, the municipality may exempt the household concerned from the cost of digging and preparation of a grave, provided that the burial takes place in a municipal cemetery and the member concerned is resident in such household at the time of his/her death and does not qualify for a pauper burial in terms of the council's pauper burial policy.

7.7 Transfer of properties

In the event of the death of the title holder of a property in an indigent household, the municipality may enter into agreements with local attorneys, the Legal Aid Board or the provincial law society for the administration of the estate and the transfer of the property into name of the successor of such title holder at the lowest possible cost.

7.8 Food Security

Where the need exists, the municipality may enter into agreements with registered non-profitable or other organisations to establish soup kitchens or other forms of food supply to serve indigent households.

7.9 Education

The municipality may, upon application by a school hostel where accommodation is provided for school-going children from rural and urban areas, consider the subsidisation of a percentage of the monthly municipal account in respect of such hostel.

7.10 Rental (Dwellings and Sites)

A 100% rental subsidy will be granted in respect of all dwellings or sites belonging to the municipality and occupied by registered indigent households.

7.11 Basic Energy

Indigent households in informal settlements where limited or no electricity is available, may be provided with alternative energy sources including, but not limited to: paraffin, fire gel, liquefied petroleum gas, solar, etc.; provided that the procurement processes for service providers or services shall be in accordance with the supply chain management policy of the municipality.

7.12 Short-term assistance

An indigent person in incidental distress may be assisted financially as determined by the council for a short period not exceeding six months. Incidental distress includes such person:

- being temporarily unemployed.
- being hospitalised.

The aforementioned persons may qualify for assistance if they are not in receipt of any assistance from any other source including any pension or other form of social assistance and provided that adequate and acceptable proof is provided in respect of such non-assistance.

Indigent people falling within this category will be re-assessed on a three monthly basis.

8. INDIGENT HOUSEHOLDS IN BODIES CORPORATE AND RETIREMENT CENTRES

Indigent consumers living in complexes managed by bodies corporate or in retirement centres shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:

(8.1) The onus will be on the Board of Trustees/Managing Agent/Chairperson of a body corporate or retirement centre to apply to the municipality, for indigent status to be granted in respect of water consumption on behalf of the owners of those residential units within such complexes or retirement centres who meet the criteria and conditions for qualification.

(8.2) The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect property rates and related charges.

(8.3) All application in terms of this paragraph must be submitted to the CFO and be accompanied by a certified copy of the Sectional Title Plan of the Sectional Title Scheme, registered General Plan or approved and registered plan of a similar development or a Retirement Centre, as the case may be. Such plan must indicate the participation quota for each unit as registered in the Deeds Office.

(8.4) The Free Basic Services Officer must verify all applications and after consideration by the CFO, he or she must notify:

(8.4.1) The representative of the Body Corporate or Retirement Centre as the case may be, whether or not the application was successful with regard to the water consumption; and

(8.4.2) The unit owner whether or not an application was successful with regard to property rates and other related charges.

(8.5) The CFO will:

(8.5.1) credit the monthly municipal account of a Body Corporate or Retirement Centre with water and sewerage charges, the amount of which will be calculated by dividing the total number of kilolitres of water consumed by the Body Corporate or Retirement Centre by the number of units in the relevant complex but up to a maximum of 200 litres of water per day for each unit that qualifies for assistance:

(8.5.2) credit the monthly municipal account of the qualifying unit owner with the amount approved in respect of general rates and refuse charges.

(8.6) The Board of Trustees/Managing Agent/Chairperson of a sectional title scheme, other similar development or retirement centre, as the case may be, in respect of which monthly water credits are allowed under indigent support, must ensure that such credits are off-set against the monthly levies of the relevant individual units. The Board of Trustees/Managing Agent/Chairperson concerned must also, once every six months or at such intervals as may be determined by the municipality, provide proof to the Senior Manager: Community Services that the monthly levies of poor households which qualify for assistance have been adjusted by the amounts credited to the account of such Body Corporate or Retirement Centre.

9. ASSISTANCE PROCEDURES

9.1 Communication

The department will use institutional communication strategy to communicate with the internal and external stakeholders. The policy will indicate how policy awareness is conducted within municipal boundaries and other vulnerable groups e.g. women, child headed households and old age people. Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general and methods of communication may include, but are not limited to:

(9.1.1) Ward committees;

(9.1.2) Traditional leaders, where applicable;

(9.1.3) Community based organisations;

(9.1.4) Local radio stations and newspapers;

(9.1.5) Municipal accounts;

(9.1.6) Imbizo's and road shows; and

(9.1.7) Jamborees/gatherings where government and municipal officials will be available to assist residents with applications such as ID applications, pension and social grant applications.

9.2 Application/Registration

(9.2.1) A person applying for assistance must complete a formal indigent support application form approved by the municipality. Such forms will be available at approved registration points provided by the municipality and shall be dealt with in terms of a Procedures Manual.

(9.2.2) Applications must be accompanied by the following:

(9.2.2.1) A Certified copy of the applicant's identity document;

(9.2.2.2) The applicant's latest municipal account or Proof of Residence

(9.2.2.3) Documentary proof of income, or an affidavit declaring lack of income and / or proof of unemployment (UIF Certificate or letter of confirmation from ward councillor), plus bank statements (where applicable);

(9.2.2.4) Particulars of any other grants received by the accountholder;

(9.2.2.5) Proof of ownership of business or second properties.

(9.2.2.6) Particulars of residents who live in the same residence as the applicant or customer that are 18 years and above, (their Full names and their Identity numbers).

(9.2.3) The applicant must consent to the installation of any form of pre-paid meters as a system to limit the consumption of services and to reduce the accumulation of debt;

(9.2.4) As part of the application, the applicant must give consent for external reference and credit bureau checks;

(9.2.5) If an application is approved, the level of indigent assistance and support will be valid for a period of 12 months without guarantee of renewal. The onus remains on the applicant to re-apply for assistance each year failing which such assistance may be terminated.

9.3 Assessment & Screening of Applicants

After the application/registration process has been completed, all information must be verified by the Free Basic Services Officer or a person approved by the municipality for this purpose as follows:

(9.3.1) Indigent Management System Check

The information on the municipality's Indigent Management System must be checked to determine whether an applicant is already registered on the system as well as to determine dates when existing applicants should be reviewed.

(9.3.2) Data Capture

The indigent registration data must then be captured in an Indigent Management System as per the application form.

(9.3.3) Verification – Site Visit

The Indigent Management System must assign an application to a duly appointed official to perform on-site verification if necessary.

The Free Basic Services Officer must then verify and assess the registration application and may make recommendations for either the acceptance or refusal of the application or for further investigation which may include an external reference check.

(9.3.4) Verification – external reference check

An external reference checks of applicants recommended as suitable candidates for indigent support may be conducted with UIF, SARS, Department of Welfare, SASSA or a Credit Bureau after details of the site visitation have been captured.

The information gathered through verification in terms of 9.3.3 and 9.3.4 must be entered into the Indigent Management System within 72 (seventy-two) hours after receipt thereof for finalisation of the application.

9.4 Recommendation

Once the verification process has been completed, the Indigent Management System must generate a recommendation based on the information captured in the database. Those applications that qualify for indigent support in accordance with the system must then be referred to the Indigent Committee for final consideration.

9.5 Indigent Committee

(9.5.1) 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.

(9.5.2) The Indigent Committee must meet regularly, but at least once per month.

(9.5.3) The Indigent Committee must consider each recommended application; assess it in terms the assessment criteria and any other knowledge or information which members may have in respect of the applicant.

(9.5.4) The Free Basic Services Officer must, in writing, advise every applicant of the success or otherwise of his/her application.

(9.5.5) The Indigent Committee must monitor, in conjunction with ward councillors, ward committees and other persons or organisations it may appoint, the implementation

of the indigent support Free Basic Services, subject to the policy directions of the municipality and in consultation with the municipal manager.

9.6 Right of appeal

An applicant who feels aggrieved by the decision taken in respect of his or her application may lodge an appeal in terms of section 62 of the Municipal Systems Act, 32 of 2000.

(9.6.1) An applicant whose application has been declined, may appeal against such decision.

(9.6.2) The appeal must be in writing and be lodged with Municipal Manager within 14 days after receipt of the notification. The appeal must contain:

- **(i)** The reason for the appeal;
- **(ii)** Any other documentary proof in support of the appeal.

(9.6.3) The appeal shall be decided: -

- **(i)** Within 14 days after lodgement of the appeal;
- **(ii)** Strictly in terms of the provisions of this policy;
- **(iii)** By the Mayor and two other councillors who do not serve on the Indigent Committee.

9.7 Institutional Arrangements

The municipality must designate existing staff or appoint officials or engage community development workers who have been trained in terms of the municipality's directions to assist with the implementation and development of this policy and must establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

10. PROCESS MANAGEMENT

10.1 Applications

With the exception of Property and Zonal Targeting, the indigent application form should be completed in full and then captured onto the relevant indigent register and accounting system.

10.2 Validity period

All applications approved for assistance in terms of this policy shall be valid for a period of 36 months where after qualifying indigent households must re-apply for further indigent support.

10.3 Death of Registered Applicant

In the event of the death of an approved applicant, the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met.

10.4 Publication of Register of Indigent Households

Names of indigent beneficiaries must be open for public perusal and comment.

Written objections from the public must be referred to the Free Basic Services Officer who will be responsible for investigating the validity of the complaint and referring same to the Indigent Committee for appropriate action.

10.5 Arrears and Excess Usage of Allocation

(10.5.1) Upon registration as an indigent household, the arrears on the account of the applicant will be kept until the end of the year, when the write off will be considered, however, to the reversal of such write-off in the event of the indigent household concerned no longer qualifying for indigent support in terms of this policy due to changed circumstances or in the circumstances contemplated in subparagraph 10.6.5 hereunder.

(10.5.2) No interest may be calculated on the arrears amounts owing by an indigent debtor.

(10.5.3) If the applicant exits from the indigent support Free Basic Services within a period of six months after approval of his/her application for indigent support, the arrears of such applicant will be re-instated in his/her account and will be subject to collection in terms of the credit control and debt collection policy of the municipality;

(10.5.4) If the level of consumption of the indigent household exceeds the consumption level approved by the municipality, the household will be obliged to pay for the excess consumption on a monthly basis.

10.6 Termination of Indigent Support

Indigent Support will be terminated under the following circumstances:

(10.6.1) Upon the death of the account-holder.

(10.6.2) Upon termination of the validity period for indigent support, namely 36 months after approval except in the case of pensioners and child-headed households.

(10.6.3) Upon sale of the property occupied by an indigent household.

(10.6.4) When circumstances in the indigent household have improved to such an extent that the indigent support threshold has been reached or been exceeded.

(10.6.5) If the applicant is found to have supplied incorrect, misleading or false information concerning in his/her and/or his/her household personal circumstances or indigent status, in which case the following will apply:

(10.6.5.1) All arrear amounts owing by the indigent household to the municipality will immediately be reinstated and become due and payable;

(10.6.5.2) Stringent credit control measures will apply; and

(10.6.5.3) The applicant will not be eligible to apply for indigent support for a period of 2 years following the date of termination of such support in terms of this subparagraph.

10.7 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.

10.8 Exit Free Basic Services

Members of households registered as indigent should be prepared to participate in exit Free Basic Services co-ordinated by the municipality in collaboration with other government departments and the private sector.

As part of its broader poverty reduction Free Basic Services, 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 Free Basic Services where possible.

The municipality must promote exit from indigence by –

10.8.1 Identifying indigents for inclusion in public works projects:
10.8.2 Initiating local job creation projects such as cleansing operations, small infrastructure projects, etc;
10.8.3 Facilitation of opportunities to enter the informal trade market;
10.8.4 Facilitation of food security projects; and
10.8.5 Liaison with National and Provincial departments to include indigent persons in their public works programmes.

11. MONITORING AND REPORTING

(11.1) The Chief Financial Officer shall report monthly 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:

(11.1.1) Number of indigent households which applied for assistance;

(11.1.2) Amount of subsidy allocated per service category;

(11.1.3) 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);

(11.1.4) Performance of all areas against targets set in the municipality's performance management system;

10.1.4.1 Number of applications for indigent support dealt with;

10.1.4.2 Time taken to process and finalise applications;

10.1.4.3 Site visits undertaken;

10.1.4.4 Awareness initiatives; and

10.1.4.5 Exit initiatives.

(11.1.5) Changes in the registered status of indigents.

12. CAPACITY BUILDING

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

- Database Management
- Demand and Revenue Management
- Policy and by-law implementation

13. POLICY GOVERNANCE

Policy Title	MBHASHE INDIGENT SUPPORT POLICY	
Policy Version	**2026/27**	
Role & Process	**Responsible Individual Name and/or Date**	**Responsibility Accepted Signature**
Chief Financial Officer	**V. Jam Jam**	
Policy Custodian	Mbhashe Local Municipality	
Policy Author	Manager Community Services	
Community members including ward committees and Traditional leaders		
Council Approval Date		
Council Approval Reference		
Policy Approved		
Policy Inception Date		
Review Start Date		
Review Completion Date		
Legislative References		
Policy Review "Triggers"		