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DRAFT INDIGENT SUPPORT POLICY

The approval of the Indigent Policy is required to enable the policy document to support the annual budget for 2025/2026 financial year, when it is tabled in terms of Section 16 of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003). The draft policy is approved by the Council in principle, allowing the public to provide their comment on the proposed changes as outlined below:

PROPOSED AMENDMENTS TO THE POLICY

Proposed new and/or amended changes to the Policy, are reflected in **bold** as set out below:

A. POLICY BACKGROUND

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	The eThekweni Municipality (hereafter referred to as the 'Municipality') is considered as a major economic powerhouse in KwaZulu-Natal, contributing significantly to the provincial Gross Domestic Product. Despite being a relatively developed area with a strong economy driven by its port and industries, the Municipality faces significant

	<p>socio-economic challenges such as poverty, unemployment, and a gap between the rich and poor within its population. In providing basic municipal services to all its citizens. The Municipality recognises and acknowledges that significant number of its citizens still require government intervention and support. To assist legible indigent households with free basic services, the Municipality has established an Indigent Support Policy, which aims to provide support to impoverished households.</p> <p>This Policy is a tool designed to ensure that indigents have access to free basic services as prescribed in the Constitution of the Republic of South Africa, Act No 108 of 1996. It is a result of continuous widespread growing numbers of indigence and poverty within communities. The Indigent Support Policy is, therefore, a strategic plan of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels. Furthermore, it is designed to ensuring that the Municipality comply with its constitutional obligation prescribed in the Bill of Rights.</p>
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B. CLAUSE 2. POLICY PRINCIPLES

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	The Policy principles aim to promote a fair inclusive and compassionate approach to supporting indigent households, while

	<p>respecting their dignity and human rights:</p> <p>2.1 Dignity and respect: Treating all indigent applicants and beneficiaries with dignity and respect, regardless of their socio-economic status;</p> <p>2.2 Non-Discrimination: Ensuring that support is provided without discrimination on the basis of race, gender, age, disability, language, culture, marital status, family status, sexual orientation and any other form of discrimination;</p> <p>2.3 Social inclusion: Ensuring that the Policy promotes social inclusion and addresses the needs of vulnerable groups including children, women, people with disabilities and older persons;</p> <p>2.4 Accessibility: Ensuring that the Policy and its implementation are accessible to all indigents, including people living with disabilities; and</p> <p>2.5 Confidentiality: Ensuring that this Policy respects the confidentiality and privacy of all applicants and beneficiaries, in accordance with the Protection of Personal Information Act, No.4 of 2013.</p>
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C. CLAUSE 3. POLICY RULES

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	<p>3.1 Institutional roles and responsibilities</p> <p>3.1.1. The Head: Revenue Management Unit is the custodian for this policy and its</p>

	<p>implementation.</p> <p>3.1.2 The Head: Revenue Management Unit must lead the development and periodically review of the Indigent Support strategy.</p> <p>3.1.3. The Head: Electricity Unit must ensure that prepayment meters are available and installed timeously upon the approval of the indigent status of all applicants;</p> <p>3.1.4 The Head: Water and Sanitation Unit must ensure that prepayment meters or flow limiters are available and installed at the indigent household upon the approval of the indigent support application;</p> <p>3.1.5. It is the responsibility of Revenue Management Unit for communicating the policy to all employees that are tasked with its implementation;</p>
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D. CLAUSE 5. PURPOSE

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	<p>(h) To ensure that regular evaluations are conducted to assess the policy's performance and identify areas for improvement.</p> <p>(i)To maintain an indigent register, ensuring better allocation of resources and services where they are most needed</p>

	(j) to facilitate a streamlined application process for indigent programme.
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E. CLAUSE 6. PROBLEM STATEMENT

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	<p>6.1 The Municipality’s current indigent support implementation process faces significant challenges in identifying and supporting impoverished households, resulting in:</p> <p>6.1.1 gaps effective delivery of a social package of benefits to those in financial need;</p> <p>6.1.2 unclear principles and procedures for accessing the social package of benefits;</p> <p>6.1.3 incomplete indigent register;</p> <p>6.1.4 The indigent support program lacks effective monitoring and evaluation mechanisms, making it challenging to track progress, identify areas for improvement and make data-driven decisions to optimise impact.</p> <p>6.1.5 The current application and verification process for indigent support is cumbersome, resulting in delays and inefficiencies in providing support to eligible households.</p> <p>6.2 In considering the adoption of an Indigent Support Policy, the policy must be consistent with the Municipality’s Tariff Policy and Credit Control and Debt Collection Policy as well as Rates Policy.</p>

<p>6.2 In considering the adoption of an Indigent Policy, the policy must be consistent with the Municipality’s Tariff Policy and Credit Control and Debt Collection Policy as well as Rates Policy.</p> <p>New provision</p>	<p>6.3 The problem statement exhibits gaps, omission and fragmented indicators which, compromises policy ineffectiveness.</p> <p>6.2 In considering the adoption of an Indigent Support Policy, the policy must be consistent with the Municipality’s Tariff Policy and Credit Control and Debt Collection Policy as well as Rates Policy.</p> <p>6.3 The problem statement exhibits gaps, omission and fragmented indicators which, compromises policy ineffectiveness.</p>
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F. CLAUSE 7. LEGISLATIVE FRAMEWORK

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
<p>New provision</p>	<p>7.1 The legislative framework applicable to the indigent support in South Africa is guided by a range of national, provincial and municipal laws, policies and regulations. These laws and policies provide the foundation for the provision of support to indigent household, including provision of basic services and financial relief. The following key legislation and policies provide foundation of indigent support:</p> <p>7.2 Section 18 (1)(a) to (c) of the MFMA requires that an annual budget must be ‘funded’ from realistically anticipated revenues to be collected; cash-backed accumulated funds from previous years’ surpluses not committed for other</p>

purposes; and borrowed funds, but only for the capital budget. Accordingly, strategies will be created or expanded within the financial and administrative capacity of the Municipality and guided by the annual equitable share allocation from National Treasury that is primarily intended to fund free basic services.

7.3 Section 74 of the Systems Act prescribes, in relation to the setting of tariffs, that this must be done in terms of a tariff policy which must *inter alia* reflect the extent of subsidisation of tariffs for poor households.

7.4 Furthermore, section 74(2)(c) of the Systems Act stipulates that: ‘*poor households must have access to at least basic services through-*

- (i) *Tariffs that cover only operating and maintenance costs;***
- (ii) *Special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or***
- (iii) *Any other direct or indirect method of subsidisation of tariffs for poor households.***

7.5 In addition to clause 7.4, section 74(3) and 75(2) of the Systems Act stipulates that– “*A tariff policy may differentiate between different categories of users/debtors, as long as the differentiation does not amount to unfair discrimination.*”

G. CLAUSE 8.1 Definitions and Acronyms

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New definition	<p>“Deemed Indigent Household” means all those persons in occupation or resident on a residential property and qualifies for indigent relief based on the use and value of property as determined in terms of general valuation roll.</p> <p>“Social Worker” means a person employed by the Municipality or government’s Social Development Department who is registered as a Social Worker under the Social Service Professions Act, 1978 (Act No 110 of 1978);</p>

H. CLAUSE 9. TARGETING APPROACH

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	<p>9.1 In its targeted approach, the Municipality intends to effectively identify and support indigent households in need and maximise the impact of the indigent support programs. The following individuals and households are targeted in the indigent program:</p> <p>9.1.1 Vulnerable citizens:</p> <p>(a) Children under the age of 18 that are orphaned, vulnerable or living in a child-headed household;</p> <p>(b) People living with disabilities (with physical, mental or sensory disability)</p> <p>(c) Senior Citizens who are living on their own, without support or with limited</p>

	<p style="text-align: center;">income.</p> <p>9.1.2 Low-income households</p> <p>(a) Households with limited or no access to basic services such as water, sanitation and electricity.</p> <p>(b) Households with total income not exceeding a threshold approved by the Council during its annual budget meeting.</p> <p>9.1.3 Unemployed and under-employed:</p> <p>(a) Individuals without income or support; and</p> <p>(b) Individuals who are working full or part time, or in an informal sector, but their total income household does not exceed a threshold approved by the Council during its annual budget meeting.</p>
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I. CLAUSE 11. DEEMED INDIGENT HOUSEHOLD

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New definition	<p>11.1 The CFO may grant the status of the Deemed Indigent Household to applicants who meet the following criteria:</p> <p>11.1.1 the property must be categorised as a residential property in the General Valuation Roll of the Municipality and be used for residential purposes;</p> <p>11.1.2 the value of the property must not exceed maximum value as may be determined by Council at its annual budget meeting.</p> <p>11.1.3 the owner or the occupier of the</p>

	<p>property must not be a registered owner of more than one property, registered individually or jointly;</p> <p>11.1.4 the total household income must not exceed the total household income determined by Council at its annual budget meeting;</p> <p>11.1.5 The indigent household referred to in clause 11.1 above will not be required to complete an application form for the indigent status, but the registered social worker may conduct physical verification and compile a social status report to the CFO, as and when required.</p> <p>11.1.6 Deemed Indigent Household status will be reviewed by the CFO from time to time, to ascertain any changes in the indigents' social status.</p>
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J. CLAUSE 12. INDIGENT SUPPORT ON SPECIAL CIRCUMSTANCES

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	<p>12.1 The CFO may consider granting an indigent status to applicant on special circumstances, where the applicant meets all qualifying criteria referred to in clause 10.1.1, but his/her property value exceeds that, which is determined by Council at its annual budget meeting.</p> <p>12.2 Special circumstances will include vulnerable citizens such as senior citizens living on fixed income with limited financial resources, person with disabilities who require additional support or chronic illness</p>

	<p>sufferers with no ability to work.</p> <p>12.3 The application's application must be accompanied with representation outlining his/her special circumstance supported by relevant documentary evidence.</p> <p>12.4 Upon receipt of the application, the CFO may assign a social worker to conduct a physical home visit and verify the applicant's social status.</p> <p>12.5 the CFO reserves the right to request additional information or further documents from the applicant in order to make his/her final decision.</p>
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K. CLAUSE 13. VERIFICATION PROCESS

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
<p>New provision</p>	<p>13.1 The CFO will take all reasonable steps to verify indigent applications to ensure that the indigent support is granted and provided to those who genuinely need it, while minimising the risk of fraud and abuse.</p> <p>13.2 The applicant will be required to complete a prescribed application form that captures relevant information such as personal details, income and assets (e.g. property ownership, vehicle ownership).</p> <p>13.3 The prescribed application form must be accompanied by supporting documents such as the identity document or card, proof of income and/or, proof of assets.</p> <p>13.4 A Social Worker will conduct home visit</p>

	<p>to verify the applicant’s living conditions and assess their level of needs. This verification must also include conducting interviews with the applicant and his/her family members to gather more information and verify accuracy of the application.</p> <p>13.5 As a verifying criterion, the Municipality must verify that the applicant is a resident of eThekweni Municipality.</p> <p>13.6 The CFO may use the following verification tools:</p> <p>(a) Application tracking system to manage and track indigent applications;</p> <p>(b) Database management system to store and manage applicants’ data;</p> <p>(c) Mobile Apps or Short Message Service (SMS) based systems to verify applicants’ information;</p> <p>(d) Geographic Information System (GIS) mapping to verify applicant addresses and location.</p>
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L. CLAUSE 15. ADMINISTRATION OF INDIGENT SUPPORT

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
8.1 Application for indigent support must be made to the CFO on the prescribed application form with a confirmatory signature of the OSS representative in the ward where the person resides that the applicant and household fulfils the criteria of indigent as contemplated in this policy.	15.1 Application for indigent support must be made to the CFO on the prescribed manual or electronic application form, which is accessible at all eThekweni Municipality Sizakala Centres and Revenue Customer Services Centres within the jurisdiction.

8.6 Until such time as a dedicated Indigent/Pro-poor department is established within the Municipality, the responsibility for indigent support will vest with the Deputy City Manager: Governance Cluster.	15.6 The responsibility for indigent support management will vest with the Deputy City Manager: Finance Cluster, particularly Revenue Management Unit.
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M. CLAUSE 18. REPORTING REQUIREMENTS AND MONITORING

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	18.2 For monitoring purposes, the Municipality must establish beneficiary feedback mechanisms to collect information from beneficiaries on the effectiveness of the support provided and any areas for improvement.

N. CLAUSE 19. GENERAL

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
12.2 Prescribed forms are available at Customer Service Centres, Sizakala Centre Offices and on the Municipal website.	Removed

O. CLAUSE 20 POLICY EVALUATION AND REVIEW

<u>Current 2024/2025</u>	<u>Proposed Revision for 2025/2026</u>
New provision	20.2 Once the policy has been reviewed, it must be approved by the Council before it's implementation.

All comments must be submitted in writing to the Manager: Policy and Compliance (Revenue). For email correspondence comments can be sent to Fikile.Mangele@durban.gov.za or hand delivered to 2nd Floor Florence Mkhize Building, 251 Anton Lembede Street, Durban, 4000. Any queries, you can phone 031-311 1850 during office hours.