

EXPANDED SOCIAL PACKAGE POLICY & STRATEGY

ELIGIBILITY MECHANISM AND OPERATIONAL STRUCTURE FOR POVERTY-TARGETTING
SUBSIDIES AND SERVICES DELIVERED BY AND IN COLLABORATION WITH THE CITY OF
JOHANNESBURG

CITY OF JOHANNESBURG
MAY 2008

BREAKDOWN OF EXPANDED SOCIAL PACKAGE

The Expanded Social Package enhances and expands the core logic of the existing special cases policy for municipal service subsidies (more generally known as the indigent or social package policy) but combines it with a single-window approach to social assistance delivery and – critically – alters the targeting mechanism from a household based means test to an individually tied poverty index.

a) Narrative of Expanded Social Package Operations (see process flow diagram below)

The point of application for assistance will initially be a designated City of Jo'burg Customer Service Centre in each administrative region, which will include co-located service delivery points for the Department of Home Affairs and the South African Social Security Agency (SASSA). The applying citizen must present his/her ID number at the point of application. Should he or she wish to be eligible for subsidies applied directly to a property (water, electricity, rates, sanitation) an address must be declared for this purpose using a utility bill or pre-paid metre token, along with the names and identity numbers of each person residing there. This address will be used to calculate the ward/small area variables in the individual's poverty index score. Poverty score calculation will be entirely automated through an application using data-integration systems already under fast-track development (see Appendix B).

Subsidies are then applied on an additive per-person basis to the household, up to a maximum cap per assistance band (see below). For example, a household of 5 people, with at least three of them qualifying for Band 1 assistance would receive 5 x 50l per-person per day, or 250l per day water subsidy, up to a cap of 15kl per month. Any additional water on the basis of temporary special need will have to be approved as part of the special needs water appeal mechanism (see Appendix B).

The declaration of residence in a household will be captured as an appended record to the relevant ID number, and that will be the only property for which the individual bearing that ID number can claim subsidy. In the case of their being any dispute as to the residence of a given individual, that individual's declaration IN PERSON at his or her regional customer service centre will take precedence over any declaration made by another individual that the person in question resides in their household.

All those qualifying for any of the social package assistance bands will have priority access to the candidate pool for the Job Pathways programme and associated measures designed to provide an exit strategy from social assistance. Additionally, all currently qualifying social package recipients will be captured in a data-base, refreshed daily, from which all skills development and job creation programmes

developed by the City must draw at least 75% of their intake. Any City of Johannesburg Department developing a measure or programme designed to target the poor MUST use this database as the source of their programme participants. This is designed to systematically assure that households qualifying for social assistance are subject to the full range of interventions delivered through (or in collaboration with) the City of Johannesburg, in accordance with the Johannesburg Growth and Development Strategy Priority of Pro-Active Absorption of the Poor.

Combined with the service frontline for subsidies in the expanded social package will be the one-window referral point social assistance provided to groups with special needs. These will include:

- HIV status
- Difficulty due to other terminal disease
- Disability
- Advanced age
- Very low basic skill level
- Residing in a child-headed household
- Residing in a pensioner-headed household
- Residing in a single parent household
- History of abuse
- History of substance dependency
- Ex-Combatant status
- Prior incarceration/ history of criminal activity

Each Region's Human Development Regional Manager will maintain an up-to-date list of programmes serving these groups (including details on a dedicated contact person, eligibility criteria and – where applicable – most current details on programme space) contributing to a City-Wide list. Being included on such a list will be a condition of receipt of social funding from the City as of the 2008/2009 funding cycle.

An on-site social worker will conduct case interviews with individuals, determine appropriate programme placement, and make placement arrangements before clients leave the customer service centre. **NB : In the case of HIV and chronic illness applicants, the one-window social worker will have the authority to issue the additional free basic water vouchers such households are eligible for under the Special Needs Water Application Mechanism.**

b) Narrative on Eligibility Mechanism (see diagram below on poverty index components and assistance bands)

The eligibility gateway for accessing the social package will use a combination of individual level factors based on identity number and area-level (ward-level or smaller) factors based on the declared billing or prepaid metre address (see Appendix A for details of technical systems being developed to support this capability). This will be **calculated, using weights** still to be conclusively determined, **into a POVERTY INDEX SCORE, ACCORDING TO WHICH THOSE SEEKING HELP WILL BE DIVIDED INTO THREE DECREASING BANDS (OR LEVELS) OF SUBSIDY. The precise configuration for the subsidies across different bands is presented in the poverty index diagram below.**

The individual factors, from which 70% of the score will be drawn (weights for each variable still to be determined) will include:

- CURRENT INCOME BELOW SUPPLEMENTARY SUBSISTENCE LEVEL
- INCOME BELOW SUPPLEMENTARY SUBSISTENCE LEVEL FOR PREVIOUS TWO CALENDAR YEARS
- PENSION RECEIVED THROUGH JO'BURG PAYPOINT
- CHILD SUPPORT GRANT RECEIVED THROUGH JO'BURG PAYPOINT
- DISABILITY GRANT RECEIVED THROUGH JO'BURG PAYPOINT
- SOCIAL RELIEF OF DISTRESS GRANT RECEIVED THROUGH JO'BURG PAYPOINT
- UNEMPLOYMENT INSURANCE GRANT RECEIVED
- NUMBER OF DEPENDENTS (TOTAL)
- NUMBER OF DEPENDENTS (SCHOOL AGE)

It is proposed that the **national supplementary subsistence standard** (the basic financial requirement for survival and basic social participation used by statistics South Africa) be adapted to reflect costs of living in Johannesburg using the widest possible current research and

any new data-collection and qualitative investigations that can be carried out in the required timeframe. Should this not be possible by the time the system must be rolled out, the **national standard will be used until such time as an appropriate local standard can be developed (the operational assumption being that a greater number of people would qualify under the local as opposed to national standard, thus ensuring that adoption of a local standard will mean an expansion of the eligible population).**

The proposed small area or ward level indicators/variables that will constitute the remaining 30% an individual's poverty score, based on their address will be the following measures applied to their ward or smaller data-area:

- Percentage of erven zoned residential
- Percentage of erven zoned industrial
- Percentage of erven zoned medical
- Classified informal settlement

Health Infrastructure Variables

- Number of public clinics
- Number of public hospitals
- Number of private clinics
- Number of private hospitals
- Number of General Practitioners with Practices in Area
- Average patient load per general practitioner practice
- Total number of public healthcare staff assigned to area
- Average ambulance response times to addresses within area
- Immunization programmes available within 5 km radius
- Publicly Subsidised Ante-natal services available within 5 km radius
- VCT services available within 5 km radius
- ARV programme available within 5 km radius
- Publicly subsidised Dental services available within 5 km radius

Transport Infrastructure Variables

- Number of approved taxi routes
- Number of planned taxi routes
- Number of bus routes
- Number of planned bus routes in current financial year
- Number of train stations
- Percentage of paved roads
- Percentage of roads due to be paved in current financial year

Number of robots
Number of pedestrian road deaths per 1000 residents

Crime Variables)

Number of JMPD stations
Number of SAPS stations
Number of patrol cars assigned to area
Average response times to emergency police calls
Total number of operational armed SAPS personell assigned to area
Total number of operational armed JMPD personell assigned to area
Total number of reported domestic break-ins/ home robberies per 1000 residents
Total number of reported assualts per 1000 residents
Total number reported rape cases per 1000 residents
Total number reported hijackings per 1000 residents
Total number of reported muggings per 1000 residents
Total number of hosptilisations due to violent crimes per 1000 residents
Total number of deaths due to violent crimes per 1000 residents
Reported number of total crimes per 1000 residents
Reported incidents of public disorder per 1000 residents

Percentage of dwellings with access to only LOS 1 water
Percentage of dwellings with access to only LOS 2 water
Percentage of dwellings with access to LOS 3 water
Number of fire hydrants per 1000 residents
Level of sanitation service available
Percentage of dwellings with no access to sanitation

Percentage of dwellings with access to electricity
Average kw of electricity used per 1000 residents
Number of hours of available electricity per day (average)

Educational Infrastructure and indicators

Percentage of school-age residents
Number of public primary schools per 500 school-age residents for which area is catchment
Number of private primary schools within 5 km radius

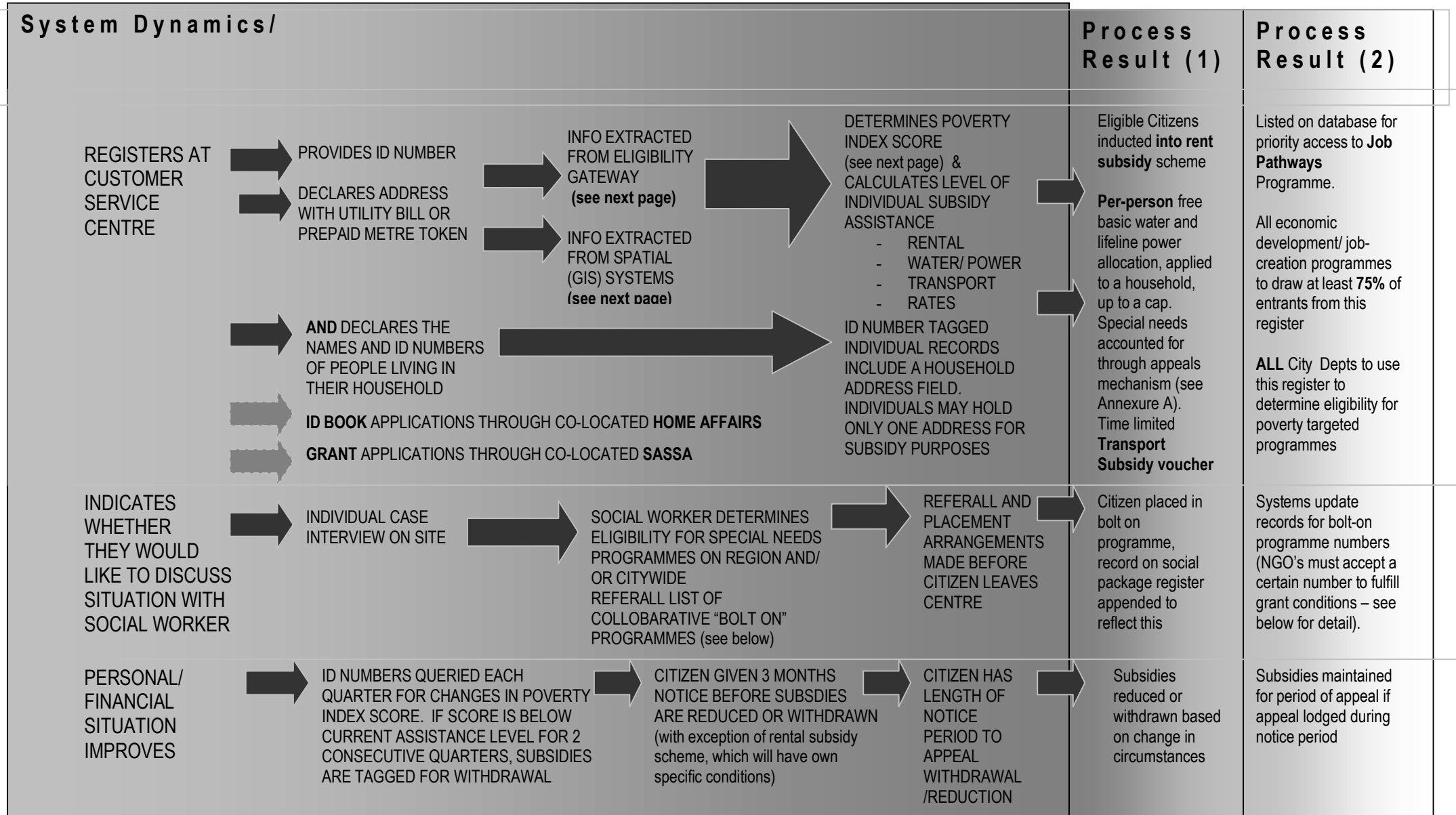
Number of public secondary schools per 500 school age residents for which area is catchment
Number of private secondary schools within 5 km radius
matric pass rate: public schools
matric pass rate: private schools (where public curriculum taught)
Drop-out rate per 500 school-age residents
Percentage of school-children in area qualifying for bana pele subsidies
student to teacher ratio : public primary schools
student to teacher ration: public secondary schools
number of registered ECD facilities per 1000 residents

PLUS

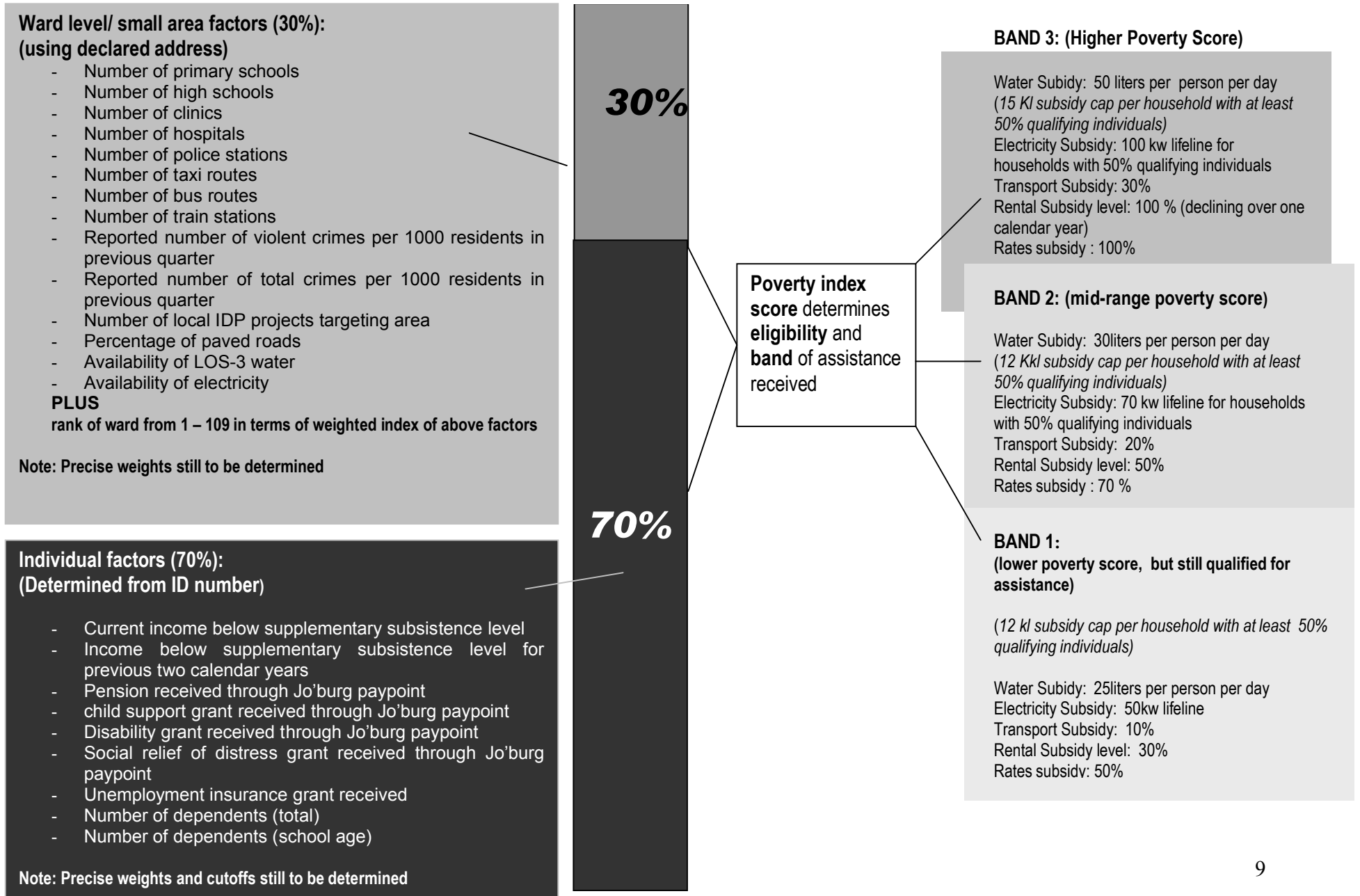
rank of ward from 1 – 109 in terms of weighted index of above factors

AND value of property on which address is located.

Expanded Social Package Process Flow



Outline of Poverty Index & Assistance Bands



APPENDIX A:

DESCRIPTION OF SYSTEMS UNDER DEVELOPMENT SUPPORTING POVERTY ANALYTICS AND SOCIAL PACKAGE ELIGIBILITY GATEWAY

The City of Johannesburg's Community Development has undertaken to develop a new **set of eligibility criteria and targeting mechanisms for recipients of the 'social package' – the City's basket of subsidies for the poor which – as of July 2008 - will be expanding to include a core set of social interventions (including rental subsidies and social mobility programmes) with additional "bolt on" interventions for those who need more specialized types of assistance.** To this end, a number of national government departments have agreed to provide access to data that may be converged by South African identity number to provide capacity for statistical profiling of socio-economic factors in Johannesburg, as well as verification capability for the eligibility gateway to our social assistance programmes.

The four initial departments/ entities that will be contributing to this are listed below, along with the vector of records they have been asked to provide:

All departments have been asked to provide individual records (with the exception of Home Affairs, bounded to Johannesburg) detailing:

- Identity number
- First Name
- Middle Name
- Family Name
- Married Name
- Known Aliases
- Age
- Residential Address

The Unemployment Insurance Fund (UIF) has also been asked to provide records on:

- Current salary income
- Salary history over previous two calendar years
- Unemployment Insurance beneficiary status
- Length of benefit receipt
- Employment Sector

The South African Social Services Agency has also been asked to provide records on:

- Means-tested Income
- Grants currently being received
- Number of dependents (child support grant recipients)
- Nature of disability (disability grant recipients)
- Nature of distress (social relief of distress grant recipients)

The Department of Housing has also been asked to provide records on :

- Means tested income (individual)
- Cumulative means tested income (household)
- Nature of subsidy being received
- Residential Address
- Number of dependents in household
- Duration of housing subsidy receipt
- Placement on RDP housing waiting-list

The Department of Home Affairs has been asked to provide querying capacity for records on:

- Name and identity number of marriage partner (males)
- Names and identity numbers of Children (females)

The finalisation of arrangements for the first extracts from these datasets is imminent.

HIGH LEVEL OUTLINE OF DATA INTEGRATION AND ELIGIBILITY SYSTEM

The City of Johannesburg has approached the State Information Technology Agency (SITA) as an implementing partner for the data integration project, as well as the eligibility gateway and referral system that will use it as backbone. Here are the required outputs:

a. Citywide analytics

Output 1 from the data integration project is a combined dataset that can be manipulated to provide analytics tracking the distribution and correlation of the following individual-level variables, additively calculated on a citywide basis:

- income
- pension received through Johannesburg paypoint
- child support grant received through Johannesburg paypoint
- disability grant received through Johannesburg paypoint
- social relief of distress grant received through Johannesburg paypoint
- Unemployment insurance grant received
- Number of dependents (total)
- Number of dependents (school age)

At minimum, the individual record addresses must be matched to a city ward

b. Smaller area analytics and local deprivation indicators (Poverty Index)

Output 2 will be a dynamic spatial (i.e. GIS) map of the City capturing ward-level (and, wherever possible, more granular, up to enumerated area level) information on the following vector of local variables (others may be added subject to their availability):

- Number of primary schools
- Number of high schools

- Number of clinics
- Number of hospitals
- Number of police stations
- Number of taxi routes
- Number of bus routes
- Number of train stations
- Reported number of violent crimes per 1000 residents in previous quarter
- Reported number of total crimes per 1000 residents in previous quarter
- Number of local IDP projects targeting area (from DPLG nerve centre)
- Percentage of paved roads
- Availability of LOS-3 water
- Availability of electricity

To the fullest extent possible, output 2 should include a feature that preliminarily ranks the wards of the City of Johannesburg from 1-109 according to a weighted index of these factors. Weights should be determined using a combination of existing best practice from measures such as the Human Development Index and small area deprivation index methodologies already developed for the South African policy environment.

Output 3 will be a system that can layer the variables listed in output 1 on a GIS grid, spatially matching addresses to – at minimum – ward level data on the vector of variables described under Output 2. This layered data-map must then be able:

- To demonstrate the relative density and spatial distribution of each discrete variable on a citywide basis, broken down by smallest possible area of analysis (ward or smaller)
- To overlay multiple variable maps of this kind at once.

Ultimately, as **Output 4** the system must be able to match an address to GIS map location and calculate the local area variables listed under Output 2 within a 2 km radius of a given erven, as well as the value of the property on that erven.

c. Poverty Index

Output 5 will be a poverty index system for the City of Johannesburg. Using individual level records from Output 1, the index system must then be able match either the address derived from Output 1 records or the billing address declared by an individual to local area indicators using the capabilities of output 4. Selected variables from this combined record will then contribute to a weighted points score.

The weights will have to be derived from a combination of principle components analysis on the first integrated dataset, balanced by qualitative research and political deliberation on the most relevant factors for poverty measurement and targeting. Equivalence scales for households with multiple dependents will also have to be calculated as part of this process. The system must be able to

- Visually and statistically represent the index by smallest possible area
- Re-aggregate the index data for Citywide Analysis, as per the requirements of **Output 3**

d. Eligibility and Referral system linked to Eligibility System

Output 6 will be the eligibility and referral application drawing on the output 5 poverty index. This system will have its own highly detailed set of user requirements, some of which will have to be modelled at their finest detail level on the basis of the data provided by outputs 1-4, but the broad requirements are as follows:

The Eligibility system must have the following capabilities:

- Upon entry of an individual's identity number, utilize Output 5 to calculate that individual's poverty score
- Place all individuals receiving a certain score on a priority contact list for city delivered programmes targeting the poor for economic upliftment
- Permit the individual to declare a billing address for purposes of receiving individually-allocated utilities and other subsidies

- Allow an individual to declare the full number of people living on the property served by a single billing point for additional subsidy purposes, provided ID numbers of all such people can be provided within three months of initial application
- Capture declared ID numbers on a single property bill as a household for utility subsidy purposes
- Assign individuals to different assistance bands based on their score and their declared household size
- Calculate household means using the individual level variables available through Output 1
- Discount household means according to weighted area variables available through Output 4.
- Set a subsidy reduction rate for discounted household means above a certain level
- Link to relevant City billing systems to enact discounts, rebates and exemptions agreed as part of the final expanded social package design.

APPENDIX B: SPECIAL NEEDS WATER APPLICATION MECHANISM

IMPORTANT NOTE: THIS REPRESENTS THE NEW PROPOSED VERSION OF THE SPECIAL NEEDS WATER APPLICATION MECHANISM, WITH THE ALLOWANCE FOR ‘*MULTIPLE PERMANENT HOUSEHOLDS QUALIFYING FOR INDIGENCE REGISTER ON ONE STAND WITH SINGLE WATER POINT*’ REMOVED, SINCE THIS CONTINGENCY IS CATERED FOR THROUGH THE DESIGN OF THE EXPANDED SOCIAL PACKAGE.

1] Context and intention of the special needs water mechanism

a. Context of the mechanism

The special needs water mechanism has been developed to provide frontline and regional representatives of the City of Johannesburg with a humane and flexible means to support the water needs of low income households in distressed situations and to HIV-positive persons on a continual basis. These benefits may be disbursed in conjunction with, or separately from, the water benefits accruing to those households and/or individuals on the City of Johannesburg’s current indigence register.

b. Intentions of the mechanism

The Special Needs Water Mechanism is principally designed to assist low-income households in temporary conditions of distress through the provision of a quota of free additional water to meet their specific needs. It is not designed to provide an unlimited water resource for low-income families on a long-term basis.

2] Application and appeals process

a. Process Description

An account-holder may apply at the customer pay-point of a regional customer service centre, a for pre-defined amount of free additional water as set out in the table below to be provided to their property (“the dwelling”) on

account of the special circumstances of those residing in the dwelling (“the residents”). If these needs fall within the special needs categories listed in Section 2(b) below, the applicant may present the application and accompanying verification evidence to either :

- a) the designated social worker attached to the regional customer service centre, during the regular advertised hours on the regular advertised weekday set aside for receiving such applications

OR

- b) the official stationed at the regional customer service pay-point during regular City of Johannesburg business hours.

If the official to whom the application is presented approves it without reservation, the defined amount of free additional water will be applied to the dwelling’s account. This water will be provided through redeemable pay-point vouchers for prepaid metre customers (instantly redeemable if the application is made directly to a pay-point official) and, in phase II of the roll out of the mechanism through the electronic billing system at the next date of billing for credit metre customers.

b. Table of pre-approved special needs categories and corresponding verification procedures

Category	Verification	Benefit	Ongoing
HIV-infected (or other chronic illness in respect of which a doctor has indicated that additional water is necessary)	Medical Certificate	+2KL/month/ HIV-positive or chronically ill person in dwelling	Yes
Emergency water token has already been used and further emergency water is needed on a once-off basis	Affidavit regarding the temporary emergency circumstances that lead to the use of the emergency water, supported by Testimonial from Ward Councillor or Regional Manager for Human Development's Office	+1KL in month of temporary emergency above and beyond any other emergency provision provided that the emergency token is only recharged once where the emergency water was used to deal with a special need for which specific application may be made in terms of this mechanism (such as a large number of residents in the dwelling, a chronic illness etc)	No

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c. Guidelines for determination of special need not described by pre-approved categories

Where a head of household believes that special personal circumstances not described by any of the above categories entitle that household to a special needs allocation of water, he or she may request this from the designated social worker at his or her regional customer service centre on the designated regular day in any given week on which such requests are to be received. The social worker, subject to a verifying site visit, may authorise up to 4 KL per month special needs allocation in any given six-month period, should he or she feel the special circumstances of the appellant meet the following criteria:

- i. The particular circumstances from which the need for additional water arise ("the circumstances") are of a temporary and or transitory nature.
- ii. The circumstances are such that they unreasonably compromise the dignity, health or well-being of any of the residents in the dwelling.
- iii. The circumstances cannot be remedied to a reasonable extent and within a reasonable timeframe by any action or set of actions that could be taken by the residents of the dwelling.
- iv. The circumstances cannot be remedied to a reasonable extent and within a reasonable timeframe by relief (financial or otherwise) provided through other publicly funded instruments, grants or programmes for which the resident(s) of the dwelling in question are clearly eligible, be they administered by any department of the City of Johannesburg, any department of the province of Gauteng, the South African Social Security Administration, or any other para-statal or agency of the government of South Africa.

d. Appeals procedures

If an account holder believes that his or her application for a special needs water allocation has been unfairly or unreasonably denied, he or she may appeal the decision through the office of the Regional Director of the Johannesburg administrative region within which the applicant's dwelling falls or their nominated representative (provided that the representative is not the person who made the initial decision). If an application for special needs water is denied appellant must, at the time of the denial be given written reasons for the denial and must be informed of his or her right to appeal and the procedure to be followed

An appellatant must provide:

- i. A detailed account of the circumstances on which the account-holder is basing the application (this should be provided in writing, but may be taken down as a sworn statement if the appellatant so chooses).
- ii. A recent bill or account statement showing the account number of the property on which the dwelling stands OR a reference number for the relevant pre-payment metre pay-point token.
- iii. An official identity document (either RSA green ID book, RSA passport, RSA driver's license card or foreign passport) [or an affidavit regarding the identity of the applicant, including a description of the reasons why an official identity document is not available, together with consent be fingerprinted for identification purposes.].

The Regional Manager for Human Development (or their delegated representative) must then consider whether or not the personal circumstances of the appellatant (and/or the residents of his/her dwelling) merit approval for special needs water allocation under any of the above categories of special need or meet the conditions for determination of special need not captured by those categories. The decision of the official considering the appeal may in turn be appealed within 21 days by a letter addressed to the Office of the City Manager, under procedures laid out in Section 62 of the Municipal Systems Act of 2002.

While account holders who fail in all their appeals may submit a renewed application based on new circumstances in the same dwelling, officials may reject out of hand new applications if they consider them indistinct from applications rejected for the same dwelling in the same calendar month.

3] Institutional arrangements

a. Dedicated Staffing requirements

A full human development unit will be developed and deployed for the purposes of implementing this mechanism and collating the information on residents' needs and living conditions revealed through applications made. 2 dedicated full-time social workers will be attached to each administrative region to provide assessment and verification capacity for this procedure. This team of 14 social workers will be expected to capture and collate the applications they receive and decisions taken as a common knowledge base to refine and guide future decision-making on the special needs water mechanism. They will report to a head of unit who will oversee operations City-wide and also manage an administrative support post responsible for coordinating unit logistics.

b. Oversight, governance and knowledge-sharing framework

All regional social worker teams must meet as an oversight body to compare casework and ensure consistency across appeals being granted. This body will be governed by procedures and terms of reference agreed upon its first meeting. The minutes of these quarterly sessions will be captured and submitted as for-information reports to Regional Manager for Human Developments' forums and the Speaker's office for distribution to all councillors.

The City of Johannesburg will take criminal and/or civil action against any person who makes a fraudulent or misleading statement or any misrepresentation in the course of an application or appeal made under this policy or who in making such a statement or misrepresentation causes damage or loss to the City of Johannesburg.