



**SISONKE DISTRICT MUNICIPALITY**

**FINAL**

**INDIGENT SUPPORT POLICY**

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## 1. Vision

Sisonke District Municipality's (Sisonke) vision is "to strive to uplift the quality of life of its residents by providing sustainable infrastructure – water, health services, sanitation and social amenities by 2010". This Indigent Support Policy (hereinafter referred to as the 'policy') has been developed and adopted in line with the municipality's stated vision of provision of basic services to all its residents. This policy provides specific detail on how the municipality intends to follow through on its mandate for the provision of municipal services by covering aspects applicable to those households that cannot afford to pay for access to basic municipal services as means of improving their quality of life.

## 2. Background and context

Due to the level of unemployment and poverty within the Sisonke District, there are households who are unable to access or pay for basic services; this grouping is referred to as the "indigent". Thus Sisonke has developed and adopted an indigent policy to outline the criteria that will be used to determine who will qualify as an indigent, and to ensure that indigents who are unable to afford basic services can have access to the package of services included in the FBS programme. This policy will do the following:

- Allow Sisonke to target the delivery of essential services to citizens who experience a lower quality of life.
- Define the following:
  - The municipality's approach to dealing with poverty at a high level.
  - The municipality's approach to accessing the indigent.
  - Who will benefit from FBS.
  - Which services will be provided.
  - How much of a particular service will be provided to beneficiaries.
  - What level of service will be offered to indigents.
  - What process will be used for managing the indigents.
  - Linkages between the various poverty alleviation programmes that will result in the indigent moving away from the poverty trap.
  - Resources allocated by the municipality to enable the implementation of this indigent policy.
  - The process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies received.
  - Projected implementation targets for the rollout of FBS to the entire indigent population within the municipal area.

This policy is intended to define who is indigent and also to an extent what it means to be indigent and to provide a detailed guideline to means by which the municipality can provide and improve access to basic services with the aim of having a major impact on

reducing levels of poverty and specifically the proportion of people who are indigent within the Sisonke District. The policy is also intended to provide a high level framework to guide the local initiatives aimed at improving the lives of the indigent. This policy also recognises the need for inter-governmental co-operation in the process of dealing with indigents but places specific emphasis on the municipality's role, thereby recognising the important role local government has in effectively addressing the needs of indigent households. Thus the municipality in developing this policy recognised the need for local understanding and local initiative, coordinated with support from national and provincial government. The key principles that underpin this policy are as follows:

- Everyone has inherent dignity and the right to have their dignity respected and protected. The provision of services to citizens must be done in such a manner as to respect the entrenched rights and dignity of those citizens.
- Sisonke must provide basic services to their indigents in a sustainable manner.
- Indigents must be afforded access to services and where possible to more than just the FBS package. Sisonke acknowledged that the FBS package on its own will not see indigent communities standards of living improve. The municipality intends to establish linkages between the FBS package and the broader package of social services.
- In providing FBS to indigents, Sisonke will provide these services at the recognised and approved minimum basic levels. It is the municipality stated goal to provide an even higher level of a service when the municipality can afford to do so, and can also sustain this higher level.
- FBS is targeted at all the indigents within the Sisonke District. Thus Sisonke will utilise a combination of service level, consumption based and property value based targeting to provide FBS, to be determined based on the type and standard of service provided.
- Sisonke recognises that this Indigent Support Policy is not a stand alone policy which is independent of the municipality's IDP, budgets, debt and credit control policy and procedures, municipal by-laws, etc. Thus this policy has been developed to integrate with these relevant policies, procedures, by-laws and strategic management plans so as to ensure that the municipality will be able to sustain the FBS programme.
- Sisonke recognises the need for realistic exit strategies for indigent households to exit from indigent registers and subsidies and the fact that this entail that the living circumstances of the indigent improves significantly so that indigent household are able to afford to pay for the services they receive. The municipality has thus attempted to integrate the delivery of FBS with structured poverty alleviation programmes. These poverty alleviation programmes may include:

This policy will impact on additional social development programmes operating within the municipality, as well as programmes that are delivered by national and provincial government, which target indigents. These programmes in turn will influence the municipality's indigent policy on FBS. Sisonke recognise that to achieve the ultimate aim of the FBS programme, alignment with other government programmes must take place. Key programmes that are significant include:

- The National Housing Programme
- The Social Grants Programme
- Municipal LED programmes
- Municipal Infrastructure Programmes
- Expanded Public Works Programmes
- Transport Programmes
- Feeding schemes as administered by the Department of Social Development

### 3. Aims and objectives

The overall objective is to substantially eradicate those elements of poverty over which local government has control as required by the National Framework for a Municipal Indigent Policy. Given the definition of the indigent stated in this policy this implies that all should have access to FBS, i.e. provision of a specified amount of free basic municipal services related to water, sanitation. Further to this local municipalities must undertake major initiatives to facilitate the access of the indigent to land for housing, in cooperation with provincial government Sisonke aims to establish a comprehensive indigent support and free basic services programme through the establishment of an indigent register and the adoption of an indigent support policy. The overall objective is for the municipality to establish mechanisms that will enable it to carry out the function of providing Free Basic Services (FBS) to the residents within its area of jurisdiction in its capacity as the Water Services Authority and Water Services Provider for the Sisonke District area of jurisdiction. This policy also takes into account the need for impoverished communities within the Sisonke District to receive a complete package of social services as a means of recognising that large sections of our society cannot exist without intervention and support.

The South African Constitution offers municipalities a guide to dealing with the matter of providing a basic level of service for indigent households. It is the role of municipalities to ensure that citizens are able to access this right. In providing FBS, it is Sisonke's stated goal to link support to communities, with other poverty alleviation strategies, both locally and as part of national poverty alleviation programmes. Sisonke's indigent support programme recognises that due to the level of unemployment, underdevelopment and poverty within its area of jurisdiction, there are households that are unable to access or pay for basic services; and thus referred to as the 'indigent'. Sisonke therefore has developed and adopted an indigent policy to outline the criteria that will be used to determine who will qualify as an indigent, and to ensure that indigents who are unable to afford basic services can have access to the package of services included in the Indigent Support/FBS programme. The development and adoption of an indigent policy should thus allow Sisonke to target the delivery of essential services to community members who experience a lower quality of life. Sisonke also recognises that there are several existing sector-specific strategies and guidelines relating to free basic services which complement this policy, including:

- Free basic water strategy and guideline prepared by the Department of Water Affairs (DWA).

- Free basic sanitation strategy and guideline also prepared by DWA.
- Guideline on tariffs for municipal solid waste services prepared by the Department of Environmental Affairs and Tourism.

This document aims to put forward the key issues and challenges around indigent support. In order to play their role in poverty alleviation, the municipality is required to implement an indigent support policy. The policy serves to ensure that poor households are not denied their constitutional right of access to basic services. It also creates an environment in which the objectives of revenue generation can be realised, mainly because many residents cannot afford the cost of services provided. This policy provides a guideline for the subsidisation of basic service charges to indigent households as well as a framework to assist Sisonke District Municipality in identifying those who qualify for the limited basic services and assuring that the limits are placed as necessary. The subsidies contained in this policy should not compromise the quality or efficiency of the service delivery.

#### **4. Approach to poverty alleviation**

By the nature of its developmental mandate local government is concerned with the problem of poverty. Moreover, because of the allocation of powers and functions across the spheres of government, some of the most important services for the poor fall in the jurisdiction of local government, in particular water and sanitation, environmental health and planning. The fact that water and waste are not only the financial lifeblood of municipalities, but that they are traditionally provided only to those who can pay for them, underscores the imperatives of fully understanding the inter-relationship between poverty and local government in designing an indigent policy. The experience of poverty is multi-dimensional. While the inability to access income remains one of the most obvious expressions of poverty, definitions of poverty typically refer to the absence of capital such as land, access to natural resources, or to the importance of social and intellectual capital and even the climate of democracy and security necessary to enhance the capabilities of the poor and excluded.

The social, environmental, political and economic dimensions of poverty are all therefore relevant to local government. In South Africa there is an additional institutional dimension of poverty that has rarely been addressed. The poorest in the nation are those who are unable to access state assistance designed to provide a social safety net because of institutional failure. Alongside the persistence of a second economy, the marginalisation of the poor from the core administrative or institutional systems and resources of government is one of the key dimensions of persistent and chronic poverty. The exclusion of the poor from the redistributive mechanisms of the state stems from the institutional exclusion of the majority of the population from the systems of municipal government under colonialism and apartheid. This indigent policy seeks to address this problem of institutional exclusion by facilitating the reform of the systems of local government in ways that ensure the inclusion of the poor in ways that will guarantee their access to free basic municipal services.

This is particularly relevant in the Sisonke District as the municipality is largely rural with small towns forming the urban core of some local municipalities. Thus the percentage of the population living in poverty is high. Also due to low density type settlement areas that characterise rural areas the municipality has an added dimension of difficulty in ensuring that there are well funded, planned and implemented infrastructure development programmes to ensure indigent households gain access to FBS. Further to this, the municipality also then has to implement well resourced infrastructure maintenance programmes to ensure that indigent households maintain access to FBS and that the targeting methods used are sufficiently thought through to ensure that all indigent households are not excluded from the municipality's FBS programme.

The municipality acknowledges that the definition of who is poor is broad within the South African context but also recognises that there are particularly vulnerable groups, among them rural women, children, people living with HIV/AIDS and other diseases, the disabled and the elderly. The municipality has local programmes, which are implemented in line with national and provincial welfare programmes, that target some of these vulnerable groups, either with particular grants (like a pension or a disability grant), skills development, capital provision (e.g. business incubation and support) or through geographical targeting of resources (like the rural development and urban renewal nodes).

In addition to this the municipality also recognises that due to the inequitable economic development policies of the past, centred on Apartheid, with the 'homelands' system being the spatial manifestation of this policy, a large number of South African citizens remain excluded from the mainstream and formal economy. Further, the subsistence economy in South African rural areas has been in decline which has increased the level of exclusion of this, most vulnerable, group. In the long term it is clearly necessary for this level of exclusion to be dealt with through national economic development initiatives, which is beyond the scope of this indigent policy. What is of concern to Sisonke, however, is that economic exclusion has resulted in exclusion from access to basic services by the poor which contributes substantially to their experience of poverty.

This policy is aimed at including those currently excluded from access to basic services, through the provision of a social safety net. Poor people in South Africa have in common the need to access affordable basic services that will facilitate their productive and healthy engagement in society. This indigent policy provides a framework for how this could be achieved within the Sisonke District. Other spheres of government have a role to play in setting up this safety net, as covered as part of this policy but this is not the primary concern of this policy. The objective of the municipal indigent policy is to lay out a plan for how these universal rights might be achieved through the activities of the municipality. Central to the task is working out how the needs of poor people, who cannot afford to pay for basic services, can be addressed in

a manner that that does not challenge the overall integrity or sustainability of the financial or natural resource base of the Sisonke District.

## 5. Definition of indigents

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

- sufficient water;
- basic sanitation;
- refuse removal in denser settlements;
- environmental health;
- basic energy;
- health care;
- housing; and
- food and clothing.

Anyone or rather any household that does not have access to these goods and services should be considered indigent. It is important to note though that not all these goods and services are the responsibility of local government as services such as environmental health, even though a municipal function is largely a regulatory function and thus not essential from the point of view of indigents, health care, particularly primary health care, is largely a provincial responsibility, housing is provincial responsibility that is implemented in conjunction with municipalities and food and clothing can be dealt with through welfare grants distributed at a national scale.

It is important to note that this list of goods and services is not intended to represent the full range of requirements that people need to live a full life and also that there are only three services which are solely in the realm of local government – water supply, sanitation and refuse removal. Thus it is important that individuals should be supported through such initiatives as that contained within this indigent policy and other provincial and national government initiatives such as the distribution of social grants to progressively enhance their circumstances such that they move beyond this point of obtaining just the basic necessities.

In seeking to define an indigent the municipality has attempted to formulate a definition that is too narrow such that this may exclude those households who truly require poverty alleviation, but has also taken care not to define an indigent too loosely as this may result in an unfair inclusion of households who can in fact afford the basic services.

The National Guideline is currently that indigent households can be primarily be determined by viewing those households that combined have a monthly gross income of less than twice the prevailing old age pension. Further to this, Sisonke has also

taken into consideration the fact that income viewed in complete isolation to other living considerations can be misleading. Thus recognition has been made that even though income will be utilised as the primary and key determining factor and qualification criteria for indigent household, these are some issues that should be taken into consideration in determining whether a household is indigent or not. First and foremost an indigent household is a group of individuals residing within a single dwelling, who partake in common activities, such as collective meals, and are mutually dependent upon each other. The definition recognises the residents of a backyard shacks as a separate household, as well as more than one household living within a single residence, i.e. sub-letting of residence. What characterises an indigent household is not only its income or consumption levels. A combination of criteria makes up the definition of an indigent household that is eligible for FBS. The criteria that can be included in the definition of an indigent household are:

- Indigents must be South African citizens. Thus applicants must have a valid identification document or other acceptable form of identification.
- If the applicant is not a South African citizen, then they must have recognised refugee status and must provide documentary proof hereof.
- The qualifying indigent must reside in a dwelling, since FBS is provided to a household.
- If the applicant resides in an informal settlement they are also eligible to qualify.
- The applicants must prove that they cannot afford to pay for the services, by providing documentary proof of income such as UIF card, bank statements, letter from employer, an affidavit, etc.
- Unemployed adults who do not have an adequate source of income, including state grants.
- The combined monthly household income of the applicant should not be more than R1,100. This threshold to be reviewed annually taking into consideration prevailing circumstances within the Sisonke District.
- Child-headed households are regarded as indigent.
- Beneficiaries of state grants amounting to less than the determined monthly gross income threshold are regarded as indigents.

Ultimately the municipality will utilise monthly gross income as the key determining factor in deciding whether a household is indigent or not.

## 6. Key role players

FBS is a multi-sectoral programme. There are a number of critical role players in FBS that need to work together. These include:

- At local level:
  - Municipalities

- Local Communities
- Ward Committees
- Community Development Workers (CDWs).
  
- At provincial level:
  - Cooperative Governance and Traditional Affairs
  
- At national level:
  - Department: Provincial and Local Government
  - Department: Water Affairs
  - The National Treasury
  - Statistics South Africa
  - SALGA

Definition of the role of each role player in relation to Sisonke's free basic services/indigent support programme is as follows:

- Municipalities:
  - Sisonke and local municipalities are responsible for the implementation of FBS. It is advisable for all municipalities within Sisonke to adopt a uniform approach towards the formulation, implementation and management of the indigent support and FBS programme. The indigent policy, to list its implementation plan, its criteria for indigent assessment, its approach to indigent management, as well as the methods it will employ to engage communities on FBS. The municipalities are also responsible for drawing on the support of appropriate implementation providers. It is the responsibility of the municipalities to monitor and track the effective implementation of FBS.
  
- Local Communities:
  - Communities have a role to play as well. It is the responsibility of the community to inform their municipality of faulty systems, provision problems and abuses or misuse of the services. Communities should also make sure that facilities are maintained, are in good condition, and are being used appropriately. Members of the community should monitor responsible use and prevent misuse, e.g. illegal connections and help to distribute information to their neighbours on FBS. The community can take the initiative to make the municipality aware of their service delivery needs.
  
- Ward Committees:
  - Ward Committees are made up of community representatives and as such can act as information routes between communities and municipalities. These committees are useful barometers of community views and levels of satisfaction and can assist municipalities to determine problem areas

and services. Most importantly, ward committees can help to identifying indigents within the relevant community and assist with the development and rolling out of municipal indigent policy. Ward committees allow the municipalities FBS and Indigent policy efforts to be seen as credible efforts by the communities and should also assist in the process of screening the authenticity of indigent applications, through provision of knowledge of the applicant's living conditions and also by performing actual household visits.

- Community Development Workers (CDWs):
  - CDWs are part of government's efforts to bring government closer to communities. They are established structures operating mainly at ward level that Sisonke and the local municipalities will leverage to promote the indigent policy initiatives. CDWs will strengthen local systems and structures rather than setting up something completely new. CDWs draw on a number of well-established and emerging government programmes to back-up their efforts, thus the degree of additional operational burden that CDWs will place on Sisonke and local municipalities should be minimal.
- Traditional Leadership:
  - Traditional leaders play an important role in facilitating the processes related to formulation, implementation and management of the processes related to indigent support/FBS, including policy formulation, indigent application, screening and maintenance. Sisonke sees the role of the traditional leaders as the key facilitators in creating awareness of such FBS programmes, assisting in gaining access to members of the community for registration and capacitation purposes and in providing support for the management of such FBS programme on an ongoing basis.
- Cooperative Governance & Traditional Affairs:
  - The provincial departments are responsible for assisting municipalities with their FBS rollouts. The provincial departments are central to ensuring provincial coordination and to deriving lessons learnt within the province.
- Department: Cooperative Governance & Traditional Affairs
  - It is the responsibility of the Cogta to introduce the legislation and standards applicable to the implementation of FBS. The Cogta needs to guide, co-ordinate and monitor national programmes. The Cogta regulates service provision and intervenes where necessary, particularly where capacity is required. The Cogta also provides the required grants to municipalities to enable the delivery of FBS.
- Department: Water Affairs (DWA):

- DWA is the sector leader and regulator for water and sanitation. It is the responsibility of DWA to define the policy and regulation relevant to support the implementation of FBW and Free Basic Sanitation (FBSan). DWA is responsible for assisting the Water Services Authorities (WSA) to implement FBS. DWA is also responsible for monitoring the state of implementation of WSA's and determining where interventions and support are required.
  
- National Treasury:
  - National Treasury (NT) is responsible for determining the equitable share allocations to municipalities and mobilise funds for FBS. NT is expected to play a supportive role within the FBS task team on financial aspects, and advise provinces accordingly. NT also compiles a report to the budget committee on FBS and its recommendations.
  
- South African Local Government Association (SALGA):
  - The role that SALGA plays is to ensure the creation of an enabling environment for the FBS. SALGA is in a position to facilitate the implementation of the FBS policy framework and guidelines. SALGA also plays a role in monitoring the delivery of FBS and compiling reports on the status of implementation and what support is needed, mobilising municipalities, profiling lessons learned and good practice and commissioning research and surveys on FBS.
  
- ESKOM:
  - Municipalities are responsible for the provision of basic services in their areas of jurisdiction. Where ESKOM provides a service on behalf of municipalities, municipalities will still be responsible for funding the provision of Free Basic Services. Government grants are paid to municipalities for FBE. ESKOM will enter into agreement with the municipality whereby ESKOM will supply FBE to a set number of targeted households for whom the municipality will pay ESKOM from the grants received.

## 7. Basic municipal services

Basic municipal services will normally include the following:

- access to minimum safe water supply;
- adequate sanitation;
- solid waste removal;
- access to household energy;
- access to and availability of roads;

- adequate drainage and storm-water management; and
- access to libraries, community halls and recreation facilities.

Based on the definition of indigents and the extent to which this relates to local government, it is clear that local government is responsible to indigents with respect to the following essential households services:

- water supply;
- sanitation;
- refuse removal;
- basic energy and
- assisting in the housing process.

With respect to this indigent policy, of which the aim is to provide essential services free of charge to the indigent, the basic level of service is the primary focus. The basic level of service is encapsulated in the following definitions.

- basic water supply facility and service – meaning the infrastructure necessary to supply 25 litres of potable water per person per day supplied within 200 metres of a household (definition based on a household of 8 individuals) in the case of communal water points or 6, 000 litres (6kl) of potable water supplied per formal connection per month in the case of yard or house connections. This water supply facility to be coupled with a sustainable operation of the facility and the communication of good water-use, hygiene and related practices.
- basic sanitation facility and service – meaning the infrastructure necessary to provide a sanitation facility which is safe, reliable, private, protected from the weather and ventilated, keeps smells to the minimum, is easy to keep clean, minimises the risk of the spread of sanitation related diseases by facilitating the appropriate control of disease carrying flies and pests, and enables safe and appropriate treatment and/or removal of human waste and wastewater in an environmentally sound manner. The basic sanitation facility to be easily accessible to a household operated sustainably and includes the communication of good sanitation, hygiene and related practices.
- basic refuse removal – meaning the disposal of refuse on a property where housing densities permit this or the removal of refuse from properties located within a municipality and disposal of this waste in an adequate landfill site, where either option is undertaken in such a way that the health of the community is maintained and no diseases are propagated, or pests allowed to breed due to refuse which is not properly removed and disposed of.
- basic energy supply and service – meaning the provision of sufficient energy to allow for lighting, access to media (e.g. a small black and white television and radio), basic ironing and cooking. 50kWh per household per month being the basic amount of electricity suitable to meet the basic needs (in accordance with Department of Minerals Resources (DMR) guidelines). In the case of non-access to electricity grid then solar home systems or the distribution of alternative energy sources such as paraffin or gas are an option.

- Basic housing assistance provided by a municipality – meaning ensuring that sufficient land is identified within the municipal boundary, in appropriate locations, for residents in the municipality and that the necessary planning is undertaken to ensure that this land can be properly developed. Further, to ensure that funding available from the province for housing is properly allocated to assist the indigent with access to services plots and assistance with providing ‘top structure’ through the housing programme.

With respect to the Sisonke District Municipality, the municipality’s mandate and the focus of this indigent policy extends to as far as basic sanitation and water supply facility and service is concerned, the other areas being the responsibility of local municipalities. The local municipalities within Sisonke cover the other services in accordance with the following provisions:

Name of municipality	Type of service	Standard of service
Greater Kokstad Municipality	Refuse removal	Specialised waste collection vehicles collect waste from households at specified intervals which are bi-weekly
	Electricity	Provision of 50KwH grid electricity per household per month (50KwH of electricity per household per month provided directly by Eskom in the rural areas)
	Housing	RDP standard of housing Rebates on rates on properties of low value
Umzimkhulu Municipality	Refuse removal	Specialised waste collection vehicles collect waste from households at specified intervals
	Electricity	Provision of 50KwH grid electricity per household per month directly by Eskom
	Housing	RDP standard of housing
KwaSani Local Municipality	Refuse removal	Waste collection vehicles collect waste from households at specified intervals
	Electricity	Provision of 50KwH grid electricity per household per month directly by Eskom
	Housing	RDP standard of housing Rebates on rates on properties of low value
Ingwe Local Municipality	Refuse removal	Provision of a subsidised tariff refuse removal service to a limited number of households
	Electricity	Provision of 50KwH grid electricity per household per month directly by Eskom
	Housing	RDP standard of housing
Ubuhlebezwe Local Municipality	Refuse removal	Waste collection vehicles collect waste from households at specified intervals
	Electricity	Provision of 50KwH grid electricity per household per month directly by Eskom
	Housing	RDP standard of housing

## 8. Social package of services

In providing FBS, Sisonke intends to link support to communities, with other poverty alleviation strategies, both locally and as part of a national poverty alleviation programme. Sisonke views FBS as a component of its broad poverty alleviation and economic development programmes. The municipality intends to devise measures to engage beneficiaries of FBS in LED activities, but also to link the implementation of FBS with other national poverty programmes and labour intensive interventions. This will ensure that targeted relief programmes such as FBS are linked to poverty intervention and economic empowerment programmes. There are opportunities in South Africa to provide universal social safety nets and targeted poverty relief in selected areas that will guarantee that the rights of the poor are upheld. There is a national system of pensions and other grants in place and there are other direct and indirect welfare related transfers, specifically in the areas of health, housing and education that are run by the national and provincial authorities, available to the South African citizens.

## 9. Targeting of indigents

Targeting of indigents relate to the way subsidies are allocated to the indigent. There are a range of options for targeting subsidies, Sisonke intends to utilise the targeting methods described below:

- Service level targeting, where a specific service level of service (e.g. public standpipe water and VIP toilets) is given free to the poor. The municipality intends to utilise this method to provide water and sanitation at a free basic level. This is particularly relevant in rural areas as this method allows for simple application where there are mixed service levels with a particular service level suitable as a basic service level widely applicable to the indigent, may avoid the need for billing and is simple and transparent to implement.
- Consumption based targeting where those using a low amount of the service are provided with this free and is only applicable if the amount of the service can be measured. This method is utilised by local municipalities to implement FBS in respect of electricity and refuse removal, particularly where indigent households hold debtors' accounts with the municipality and thus the quantity of service rendered can be measured and relevant subsidies allocated accordingly.
- Property value, as an indication of the level of household wealth, and hence income. This method is utilised by local municipalities in applying a low value property rebate in respect of rates due by property owners.

Sisonke is of the view that this approach leads to a situation where all the indigent in the Sisonke District can gain access to an essential package of services free through simple targeting mechanisms which are easy to administer.

## 10. Communication activities and community participation

A municipality cannot implement an indigent policy without engaging with its constituency and obtaining the communities active participation. The communication activities that a municipality must undertake are not only to allow the municipality to communicate with its constituency, but also to allow the constituency to provide feedback to the municipality.

- Matters to be communicated:
  - The municipality must communicate the following:
    1. What is the municipality trying to achieve with regards to the indigent policy?
    2. How will the municipality be going about implementing the indigent policy?
    3. What is the value for indigent and non-indigent households?
    4. Who qualifies for the service and how the municipality has determined this?
    5. How should qualifying households access the services?
- The means of communication:
  - Municipalities are responsible for implementing processes of community consultation which support planning and evaluation. A variety of means can be used to ensure effective consultation with the community; these include ward committees, public forums and campaigns. These activities are carried out by municipal appointees. Through their community consultation, municipal appointees are a key link between the municipality, community and other organisations (service providers, non-profit agencies and private sector companies) concerned with issues affecting FBS provision. The following are examples of methods that the municipality can utilise and roles it plays in facilitating this community engagement:
    1. Municipal meetings:

These can take the form of ordinary meeting of the council or special or urgent meetings. Meetings of municipal council and those of its committees are open to the public, including the media, and council may not exclude them. (This does not apply to the executive committee meetings).
    2. Ward Committees as information sources:

Ward committees are useful information routes. They usually link back to a constituency and therefore have immediate access to the community. Ward committees can also be mobilised to assist in supporting a door-to-door campaign, which entails visiting people in their homes and explaining how FBS works and how it can benefit them.
    3. Municipal bills:

Advertisements and notices can be placed on the municipal service bills. In this regard all people who receive a service and an account will also receive the FBS communication. The municipality can place the

same advert on the bill over a number of months and maximise the distribution of the message. This method assumes that the target audience is literate and it will only reach people who are already receiving services. It would not be effective as a means of engaging with community members who are not being serviced by the municipality and hence fail to reach a large proportion of the targeted indigent population.

4. Publicity in public places:

The municipality can target places where people gather. These could be natural gatherings, such as those around a community halls or libraries, and special gatherings such as pension pay-out points or exhibitions. It would be of great help if the municipality has access to a local calendar of events. This can be created by speaking to the local community centre and other groupings such as NGO's and clinics, and requesting that they communicate details of planned activities. Gatherings provide the opportunity for pamphlet runs and setting up and staffing an FBS exhibition stand to interact with community members. Putting up posters and notices need not only be linked to an event, but can become a long standing fixture in public spaces.

5. Using intermediaries:

Intermediaries are very effective as vehicles for communication. Intermediaries could be churches, NGO's and advice centres. Intermediaries are typically places that people go to for advice and support. Intermediaries can be incredibly effective if they are provided with information and information products which they can pass on to community members. They could serve as primary agents for screening and referring potential applicants for FBS to the appropriate services. These intermediaries should be more than a drop off point for brochures, but they should also be trained to understand and impart knowledge on FBS. Presentations could also be used as the strategy to engage intermediaries, e.g. getting invited to address a church meeting.

6. Stakeholder engagement:

Stakeholders are people whose participation and support are critical. It is of utmost importance to meet with stakeholders during the initial stages of the programme and to inform them of the details of the programme and involve them in the campaign. Endorsement by stakeholders can significantly increase the support of the community. Presentations at stakeholder meetings and inviting stakeholders to share a platform at campaign forums and exhibitions are popular ways to solicit stakeholder backing.

7. Involving Community Development Workers (CDWs):

CDWs have a crucial role to play. Apart from being agents of the municipality, they are also members of the communities and therefore in

touch with the needs of their community. As such they can offer valid input when deciding on the appropriate strategies to be used. They can act as the municipality's field operatives when undertaking research or implementing any of the strategies as well as help to identify indigent groups.

8. Direct communications to local communities:

Sisonke may utilise a variety of mediums to communicate with its constituency and these may include local newspapers, radio broadcasts and other communication mediums. Sisonke will adhere to the following when entering into communication with the community:

- The municipality determines the official language to be used in communication.
- A copy of every notice must be published in the provincial gazette and must be displayed at the municipal office.
- When the municipality requires a form to be completed by a member of the community, a staff member of the municipality must give assistance to members who cannot read or write.

## 11. Legal framework

According to the South African Constitution, Act 108 of 1996, section 27 (1) (b) & (c), the following is stated with regards to socio-economic rights:

1. Everyone has the right to have access to:
  - (b) sufficient food and water, and
  - (c) social security, and if they are unable to support themselves and their dependants, appropriate social assistance.

This policy is also based on provisions on other relevant pieces of legislation including:

- Local Government Municipal Property Rates Act No.6 of 2004
- Electricity Amendment Act No. 46 of 1994
- Local Government: Municipal Structures Act No. 117 of 1998
- Local Government: Municipal Structures Amendment Act No. 33 of 2000.
- Local Government: Municipal Systems Act No. 32 of 2000
- Municipal Finance Management Act no 56 of 2003
- Water Services Act, 1997, Act No. 108 of 1997
- Division of Revenue Act

## 12. Source of funding

The main source of funding for the indigent subsidy is the equitable share contribution to the municipality made by the government from the National Treasury. If such

financing is found to be insufficient the services are financed from revenues raised generally through property rates, services charges and fees.

The subsidy amount to be financed from equitable share can be found by dividing the amount allocated by the number of indigent recipients. This subsidy amount must be contained in the tariff schedule and must be reviewed annually with the annual budget and tariffs.

Sustainability is strongly linked to the extent to which municipalities can at some stage support its own delivery through cost recovery means. By its very nature, free basic service is a subsidy and would therefore, not on its own, recover cost from beneficiaries. Currently, in most municipalities, free basic service is largely covered by grant funding from either the equitable share or other national grants. Very little municipal funding gets routed to free basic service in the form of tariffs. Sisonke will need to consider different models around cross subsidising the service. If it is not carefully considered, it is quite likely that the service would not be able to be sustained in the long term.

Thus to reiterate, targeting the poor for purposes of providing free basic services, requires that services which cost the municipality, money to provide must be made available free (i.e. with no revenue raised directly from the indigent consumer receiving the service). Therefore a subsidy is required to ensure that the costs required to provide the service can continue to be funded from a source other than the consumer of the service. There are three main sources of subsidy funds:

- Cross subsidies from non-residential and high income consumers using the particular service (they are charged more than what the service costs to generate a surplus to be used to cover the cost of services to the indigent).
- The core administration revenue of the municipality which includes property rates and electricity surpluses (which is mostly applicable to the local municipalities within the Sisonke District Municipality).
- The national fiscus, through the equitable share.

Thus Sisonke requires a subsidy framework in order to make decisions as to how to raise and apply the funds used to subsidise particular services to the indigent. It is beyond the scope of this policy to deal with such subsidy frameworks in detail. Suffice to say that these need to be based on a particular targeting mechanism (refer per section 8 above for targeting mechanisms), and that the emphasis must be placed on ensuring that the indigent get the service free and that others pay for the services. Far too often subsidies are badly targeted and wealthy or middle income people benefit from subsidised services while the indigent have to pay or do not receive a service at all. Sisonke through proper planning and subsidy framework formulation aims to avoid this scenario of badly targeted subsidies. A subsidy framework is a key part of a tariff policy which must be prepared by all municipalities in terms of the Municipal Systems Act.

The issue of funding is particularly relevant when considering the costs involved in formulating, implementing and maintaining a viable and sustainable indigent support/FBS programme. A number of factors will influence the cost of this implementation, which will need to be borne by the municipality. These factors are listed and described below:

- **Monitoring and Evaluation Costs:**
  - The costs associated with refining or establishing and aligning monitoring and evaluation efforts by the municipality needs to be factored. This also applies to the analysis and management of data.
- **Analysis of Financial Framework:**
  - An analysis of the municipality's current financial framework and identification of barriers to the implementation of the indigent policy. In the case of Sisonke this may include a lack of properly constituted tariff framework, comprehensive debtors' accounts database and a system to properly administer the indigent register and database and the actual subsidies.
- **Targeting Methods:**
  - The targeting methods chosen will affect the administration required to implement the indigent policy. This is a critical factor of influence since the different targeting methods require different systems to administer them. Sisonke will consider upgrading existing capacities (both personnel and systems) to make this policy work.
- **Cost of Communications:**
  - The cost of communications is another influencing factor. An effective communications campaign needs to be considered and implemented together with the focusing of services towards indigents. This campaign must be both, internally (between municipal departments) and externally focused and have the capacity to draw out and process feedback received. The communications campaign must target not only indigents but the whole of the municipality.
- **Cost of Infrastructure:**
  - The services that need to be delivered in most instances require either the upgrading of existing infrastructure or the development of new infrastructure.
- **Cost of ensuring Accessibility:**
  - Following on closely to the cost of infrastructure and the costs associated with targeting, is the cost of ensuring that indigents can access the services they require. This may entail the municipality having to establish additional application points or upgrading existing points of application.
- **Cost of Service Levels:**
  - A municipality has to budget not only on the provision of services but also on the installation and maintenance of the services being provided.

### **13. Qualification**

It is the responsibility of the consumer who cannot afford to pay the full municipal tariff for services to ensure that he/she applies for an indigent subsidy.

In order to qualify for registration as an indigent, an applicant must satisfy the following:

- The gross income of all occupants of the household over the age of 18 years must be less than the amount stipulated by council from time to time. This amount is reviewed annually and is currently set at R1,100.00 for the 2007/2008 financial year.
- The indigent subsidy is granted per household, not to individuals and the underlying principle of the provision of services is that they are provided to a property as a unit. Where therefore the total income of the members of a household exceeds the stipulated subsidy levels, such a household will not qualify for the indigent subsidy.
- The property must be predominantly for private residential usage.
- Applicants must not be the registered owners of more than one property per applicant.
- Applicants must not be recipients of significant benefits or monetary payments.

### **14. Conditions and requirements**

The following are conditions pertaining to the recipients of the subsidy:

- It is a qualifying requirement that all consumers of services applying for the indigent subsidy will have completed and returned the application form within the stipulated time limit.
- The accounting officer may grant authority that limitations of services such as water be installed on properties qualifying for an indigent subsidy so that consumption does not exceed the required level.
- The improved municipal value of the property on which the indigent subsidy recipient resides may not exceed a level stipulated by Council. In cases where this requirement is not met, the customer will be disqualified from receiving the subsidy.

### **15. Application forms**

The indigent support application form must be completed in full by the consumer, and returned together with the following:

- Identification documents of the applicant, (a certified copy is acceptable).
- Proof of income, such as a letter from the applicant's employer, a salary advice note, a pension card, and unemployment fund card; or
- In the absence of such documentation, an affidavit declaring the applicant's income, or if unemployed, a declaration of the applicant's unemployment status.
- Proof of residence.
- Number and names of dependents within the applicant's household.
- Number and names of all occupants over the age of 18 years residing on the property.
- The applicant's latest municipal account or the latest account in the applicant's possession.

## **16. Re-application**

Recipients of the subsidy must apply every 12 months, failing which they will be automatically disqualified.

## **17. Control systems**

The control systems are put in place in order to ensure transparency and effectiveness of the application process. There are as follows:

- An ad hoc committee must be appointed to administer the indigent support programme. It will be the function of the committee to scrutinise each application prior to approval. The accounting officer may have the final say on the approval of applications.
- All applicants will be required to sign a sworn affidavit as to the correctness of the information furnished by them.
- Applications must be submitted to the municipal offices.
- A list of indigents per ward will be made available on request.
- In the event that a customer who qualifies for a subsidy is in arrears with his/her payments on the effective date, such a customer will be required to make arrangements with the chief financial officer of the municipality to pay off the amount owing in reasonable time in terms of the municipality's credit control policy. If the arrangements are not honoured, the subsidy will not be granted to the customer and steps to recover the amount will be taken in terms of the credit control policy.

## **18. Audit processes**

All application forms received will be audited. The process may run as follows:

- Upon applying for an indigent support subsidy, the municipality may send authorised representatives to the premises of the applicants to conduct an on-site audit of the information provided, prior to the approval of the application.
- Should the audit reveal that false information was submitted, the respective councillor will be notified and (s)he will be required to confirm the facts within 14 days.
- If it is confirmed that the information submitted is indeed false, that customer will not be included in the indigent register and they will be required to pay for the services they consume.
- If the councillor confirms that the information is true, the customer will be included in the register.
- Should the councillor not confirm the status of the application within 14 days, such application will be deemed false and the customer will not be included in the register.
- Any customer who is found to have submitted false information on their application may be charged a penalty charge as determined by Council.

In the event of a death of an indigent customer the following procedure applies:

- Proof of death must be provided.
- The new occupant of the property must have the services of the deceased disconnected and have a new account opened prior to reconnecting the services.
- The new occupant may apply for an indigent support subsidy.
- The process of transferring the property to the new owner must then be proceeded with.

## **19. Extent of benefits**

The extent of the monthly support will be determined by the available funding from the equitable share divided by the number of recipients, with a maximum of an average monthly service account or rates account determined as follows:

### **19.1 Sanitation:**

All recipients of the indigent subsidy are exempted from paying for sanitation services.

### **19.2 Children of deceased parents:**

Children who have lost their parents and inherited fixed property and are not financially fit to pay arrear municipal accounts may register as indigents and the municipality can write-off the arrears on such fixed property, provided that such property is to be registered in the names of such children.

### 19.3 Water:

An indigent household is entitled to 6kl free water per month. Any consumption in excess of 6kl will be charged according to the current applicable water tariff.

19.3.1 In the event of water leakages, these will be repaired at the cost of Sisonke District Municipality, provided that such leakages are reported within 24 hours of detection.

19.3.2 In the event of underground water leakage Sisonke District Municipality will have cause to investigate and monitor excessive consumption.

## 20. Monitoring and evaluation

Sisonke needs to be in a position to assess whether the service implemented is appropriate, functioning adequately and directed at the correct people. It is important that Sisonke is able to ascertain the following from monitoring and tracking of the service delivery:

- Who is receiving the service?
- Is the service offered at the appropriate service level, in view of the environment, financial aspects and the social habits of the community?
- Is the service operating adequately?
- Is the community making adequate use of the service?
- Does the community require any form of training to make better use of the service?
- Is the service meeting the required needs of the community?
- Is the service impacting on poverty or the quality of life of the beneficiaries?

For adequate tracking to take place, Sisonke will need to think through the questions it needs answers for, and develop a system with indicators of measurable success to judge the overall performance of the service. Ward Committee assessment of the service and complaints are one type of measure of the service, but should be incorporated into a broader monitoring and evaluation process. A monitoring and evaluation system should be developed by using a series of quality criteria as the basis for the development of indicators for the development of monitoring and evaluation systems. The quality criteria are seen as integral to the achievement of the broader objectives of the system and should be developed on the basis of the policy, strategic and legal frameworks governing the implementation of the programme. These quality criteria help to shape the indicators that the system must be measured against. The indicators specify whether or not the quality criteria have been achieved, and are drawn from the targets that have been set. The indicators should be developed in a manner that allows the implementation of the project to be measured in terms of the outcomes that the project intends to achieve as well as the impact that the project has had. Thus for example, the indicator would look at number of

beneficiaries serviced as well as issues such as the number of those beneficiaries who are male or female or whether they reside in rural or urban areas. The indicators are each attached to a means of verification to allow the municipality to determine whether or not it has met its targets, and whether or not they have been met in a manner that supports the quality criteria in the framework. These means of verification are developed in a manner that considers the way in which the data is to be collected to ensure that the monitoring system is sustainable. For example, a means of verifying appropriate service provision might be an 80% affirmative response to a client satisfaction survey on FBS.

## **21. Exit from indigence**

It is important to note that for the efficient implementation of the indigent support/FBS programme and for the integrity of the system of indigent support subsidies to be maintained, it is important that only those households that cannot afford to pay for basic services, as envisaged through this policy, must benefit from the supply of FBS. It is thus imperative that indigent support subsidy recipients must immediately inform the municipality in the case where circumstances mean that such household that previously was regarded as indigent is now in a position to pay for service provided by the municipality. In the case where such is not done the municipality will treat such conduct as a malpractice and take action as detailed under section 22 below.

While it is imperative to provide subsidised services to the indigent it is incumbent on Sisonke, the local municipalities and the other spheres of government to work towards ensuring that indigent households are able to not only access subsidised services but economic opportunities as well. In this policy the need for a social package of services has already been discussed under section 7 above. In this regard ensuring that FBS leads to an increase in quality of life and access to economic opportunities is an essential part of the design of the implementation. The challenge that needs to be met by Sisonke is how to develop an exit strategy off the indigent subsidy. Thus Sisonke will not only devise measures to engage beneficiaries of FBS in LED activities, but will also link the implementation of FBS with other national poverty programmes, such as the Extended Public Works Programme (EPWP). This will ensure that targeted relief programmes such as FBS are linked to poverty intervention and economic empowerment programmes.

## **22. Action against malpractices**

Council may refer queries to the ad hoc committee dealing with indigent support who may take the following action:

- request the resident/owner to provide full proof of his/her banking account and income details as well as pension registration;
- an on-site enquiry at the recipients' residence may be conducted;
- request a social worker's report on the household; and
- any other action required by Council.

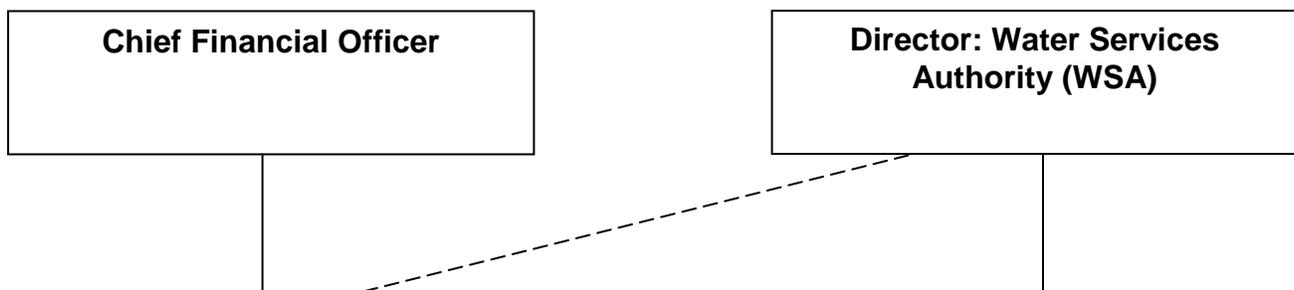
If it is established that incorrect information was furnished in obtaining the subsidy, the following action can be taken:

- suspend or stop the subsidy immediately;
- recover the subsidy amount furnished by debiting the customers account;
- normal credit control in accordance with Council's credit control policy will apply; and
- institute criminal charges of fraud against the recipient.

### 23. Human resources/FBS management team

Sisonke has noted the scale of planning and actual implementation and maintenance activities that are attendant to the type of indigent support/FBS programme that is envisaged on this policy and has thus determined that there is a need for dedicated FBS officials. Initially Sisonke envisages the creation of a two full-time posts related to FBS management. These posts will be those of Indigent Support/FBS Senior Administrator and that of Indigent Support/FBS Senior Coordinator. Sisonke envisages that the Indigent Support/FBS Senior Administrator will be responsible for the entire process of administering the indigent register and databases, including any updating and review and also for managing indigent subsidies. The Indigent Support/FBS Senior Coordinator will be responsible for the coordinating the processes of indigent application, assessment, approval, verification, renewal, community participation and monitoring and evaluation, in conjunction with other role players. Sisonke envisages, as illustrated below, that the Indigent Support/FBS Senior Administrator will work under the guidance and authority of the municipality's Chief Financial Officer, with an indirect reporting line to the Director: Water Services Authority (WSA) and that the Indigent Support/FBS Senior Coordinator will report directly to the Director: Water Services Authority (WSA).

#### FBS human resources/FBS management team

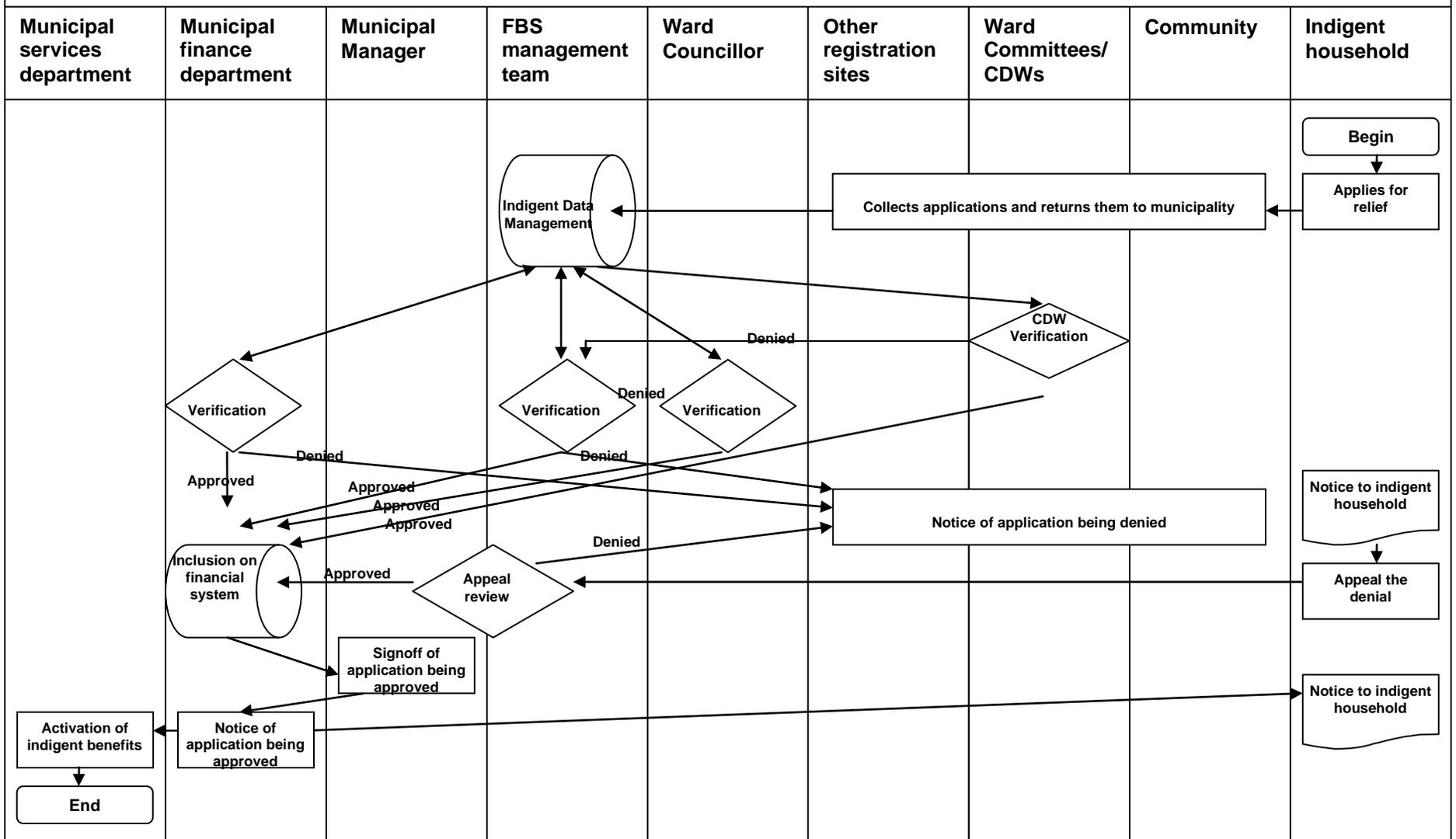


**Indigent Support/FBS Senior  
Administrator**

**Indigent Support/FBS Senior  
Coordinator**

## Annexure A – Indigent application and verification process

### Guidelines for the implementation of the policy – indigent application and verification



## A.1 Key role players

We have defined 7 major actors who should be involved in a municipality's institutional arrangements to develop and implement the indigent policy, these are:

### 1. Municipality service departments:

Municipal service departments are responsible for the provision of the service to the indigent. For the purposes of this policy providers such as ESKOM are viewed as part of municipal service departments.

### 2. Municipality finance department:

The municipal finance department is responsible for verifying the indigent's status, including their particulars on the municipality's financial system and notifying the indigent of their benefits.

### 3. Municipal Manager:

The Municipal Manager is required to sign-off on the indigent lists generated.

### 4. FBS management team:

The FBS management team is responsible for managing all registrations and verifying applications. The FBS management team is also responsible for the ongoing management, maintenance and coordination of the indigent support/FBS programme, including annual renewal of applications, community participation and exiting of indigents.

### 5. Ward Councillor:

The Ward Councillor is responsible for verifying applications.

### 6. Other registration site, Ward Committees, CDWs and community:

These role players can all assist with the registration of indigents. It is important to note that only the CDWs and Ward Councillor can verify registration information.

### 7. Indigent household:

Indigent households apply for FBS programme benefits and receive the subsidy if they qualify.

## A.2 Indigent application and verification process

This process explanation must be read in conjunction with the diagram above:

1. The indigent household applies for the FBS services at the established registration points; which can be at ward committee offices, through CDWs, community based organisations or other registration points such as post

offices. The municipality recommends that the registration process require the following from the indigent household:

- a. Registration – a formal application must be lodged, assessed and approved.
  - b. Acceptance – The applicant must consent to receiving the service and agree to the terms and conditions specified by the municipality.
  - c. Lodging of an application form – The individual who is applying on behalf of a household must complete an application form at a service centre or any other registration point designated in their respective area, or at the office of the financial manager of the municipality.
  - d. Documentary proof – applicants must produce some form of recognised identification and most recent municipal account, if they have been a recipient of services.
  - e. Documentary proof of total monthly income – UIF card, bank statement, income tax return/assessment, and salary advice, a letter from employer, income declaration, or proof of their registration as an unemployed person can support the application.
  - f. A declaration from the applicant – a signed declaration confirming that the information supplied by the applicant is true and correct.
2. The indigent's application is collected and verified by the following role players:
- a. CDWs: the CDWs are actively involved in the community and have a sense of who in the community qualifies with the municipality's indigent definition. The CDW does not have a final determination on whether an indigent household qualifies or not, they merely verify the data and substantiate that the household qualifies.
  - b. Ward Councillors: the Ward Councillor has a sense of who in the ward qualifies with the municipality's indigent definition. The Ward Councillor does not have a final determination on whether an indigent household qualifies or not, they merely verify the data and substantiate that the household qualifies.
  - c. FBS management team: will review the recommendations from the Ward Councillors and CDWs, and review its own data sets (it would be prudent, where possible, to make use of national datasets such as those held by the Department of Home Affairs, Department of Social Development, South African Social Security Agency (SASSA) and South African Revenue Services to verify and cross reference data) on indigents and determine if the applying household meets the requirements.
  - d. Municipal finance department: will review its financial systems to determine if the applying household is on its system and if so what the levels of consumptions have been and the levels of payment from that household.
3. Approved applicants must be included in the municipal financial systems and the Municipal Manager must sign off on the new indigent list before service orders must be provided to the relevant service department to provide the

service to the qualifying indigent household. The qualifying indigent household must be sent a letter notifying them of what their entitlements are as well as any other relevant information that pertains to them. (If the indigent household does not have a postal service the municipality should look at the Ward Councillor and the CDWs as a means of submitting this letter). Households that have not qualified should also be sent a letter explaining why they have not qualified and explaining that there is an appeal procedure available to them.

4. Households that have not qualified have the right to appeal the decision of the municipality. The FBS management team must manage the appeal process. The Ward Councillor of the appealing household should be part of the appeal team. If the appeal is successful the municipality should follow the process set out in step 3 above.

**Annexure B – Indigent application form**

***This document is on file and currently being utilized at  
Kokstad***

## Indigent Registration Application Form

Account number(s) (if applicable): \_\_\_\_\_

Home address (primary residence): \_\_\_\_\_

\_\_\_\_\_

### SECTION A: PARTICULARS OF ACCOUNT HOLDER OR HOME OWNER

1. SURNAME: \_\_\_\_\_

2. FIRST AND MIDDLE NAMES: \_\_\_\_\_

3. DATE OF BIRTH: \_\_\_\_\_

4. I.D. NUMBER: \_\_\_\_\_

5. MARITAL STATUS: \_\_\_\_\_

6. RESIDENTIAL ADDRESS: \_\_\_\_\_

7. POSTAL ADDRESS: \_\_\_\_\_

8. TELEPHONE NUMBER: \_\_\_\_\_

9. CELLULAR PHONE NUMBER: \_\_\_\_\_

10. PERSONS INTERVIEWED: 1. \_\_\_\_\_

2. \_\_\_\_\_

11. NUMBER OF DEPENDANTS LIVING ON PROPERTY: \_\_\_\_\_

12. DETAILS OF DEPENDANTS LIVING ON PROPERTY:

FULL NAMES	SURNAME	I.D. NUMBER	AGE	GENDER	OCCUPATION	DISABILITY (Y/N)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						

**SECTION B: MONTHLY INCOME AND EXPENSES OF HOUSEHOLD:**

1. NUMBER OF PEOPLE LIVING ON PROPERTY (OVER 18): \_\_\_\_\_

2. DETAILS OF PEOPLE LIVING ON PROPERTY (OVER 18):

FULL NAMES	SURNAME	I.D. NUMBER	RELATION TO APPLICANT	GROSS MONTHLY INCOME	SOURCE OF INCOME / EMPLOYER	PROOF OF INCOME
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
<b>TOTAL</b>						

3. DETAILS OF OTHER INCOME:

FULL NAMES	SURNAME	I.D. NUMBER	RELATION TO APPLICANT	TYPE OF INCOME AND SOURCE	MONTHLY AMOUNT	PROOF OF INCOME
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
<b>TOTAL</b>						

4. DETAILS OF MONTHLY EXPENSES:

EXPENSE ITEM	AMOUNT	EXPENSE ITEM	AMOUNT	EXPENSE ITEM	AMOUNT
1.		9.		17.	
2.		10.		18.	
3.		11.		19.	
4.		12.		20.	
5.		13.		21.	
6.		14.		22.	
7.		15.		23.	
8.		16.		24.	
<b>SUB-TOTAL</b>		<b>SUB-TOTAL</b>		<b>SUB-TOTAL</b>	
<b>GRAND TOTAL</b>					

### SECTION C: INSURANCE POLICIES AND INVESTMENTS

NAME OF OWNER	I.D. NUMBER	TYPE OF POLICY / INVESTMENT	INSTITUTION	MONTHLY PREMIUM / CONTRIBUTION	VALUE (R)
1.					
2.					
3.					
4.					
5.					
6.					
<b>TOTAL</b>				<b>R</b>	<b>R</b>

### SECTION D: CREDIT PURCHASES

DEBT HOLDER	I.D. NUMBER	ITEM PURCHASED	INSTITUTION / COMPANY	MONTHLY REPAYMENT	TOTAL AMOUNT OUTSTANDING
1.					
2.					
3.					
4.					
5.					
6.					
<b>TOTAL</b>				<b>R</b>	<b>R</b>

### SECTION E: ASSETS

#### 1. IMMOVABLE ASSETS

##### PROPERTY OCCUPIED BY HOUSEHOLD:

NAME OF OWNER/I.D. NUMBER: \_\_\_\_\_

BONDHOLDER: \_\_\_\_\_

TYPE OF STRUCTURE: \_\_\_\_\_

PHYSICAL ADDRESS: \_\_\_\_\_

DEED REGISTRATION NUMBER: \_\_\_\_\_

MONTHLY RENTAL (if property is rented): \_\_\_\_\_

SUB-LETTING DETAILS (where applicable):

TENANT: \_\_\_\_\_

MONTHLY RENT: \_\_\_\_\_

TENANT: \_\_\_\_\_

MONTHLY RENT: \_\_\_\_\_

TOTAL: \_\_\_\_\_

**DETAILS OF OTHER PROPERTIES OWNED BY HOUSEHOLD**

<p><b>PROPERTY 1:</b>  <b>NAME OF OWNER:</b> _____   <b>BONDHOLDER:</b> _____   <b>TYPE OF STRUCTURE:</b> _____   <b>PHYSICAL ADDRESS:</b> _____   <b>DEED REGISTRATION NO.:</b> _____   <b>SUB-LETTING DETAILS:</b>   <b>TENANT:</b> _____ <b>RENT:</b> _____  <b>TENANT:</b> _____ <b>RENT:</b> _____  <b>TENANT:</b> _____ <b>RENT:</b> _____  <b>TOTAL:</b> _____</p>	<p><b>PROPERTY 2:</b>  <b>NAME OF OWNER:</b> _____   <b>BONDHOLDER:</b> _____   <b>TYPE OF STRUCTURE:</b> _____   <b>PHYSICAL ADDRESS:</b> _____   <b>DEED REGISTRATION NO.:</b> _____   <b>SUB-LETTING DETAILS:</b>   <b>TENANT:</b> _____ <b>RENT:</b> _____  <b>TENANT:</b> _____ <b>RENT:</b> _____  <b>TENANT:</b> _____ <b>RENT:</b> _____  <b>TOTAL:</b> _____</p>
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**2. MOVABLE ASSETS:**

ITEM	HIRE PURCHASE / OTHER FINANCE	INSURANCE	MONTHLY REPAYMENT	VIEWED ON SITE (Y/N)
1. Motor vehicle				
2. Television				
3. Fridge				
4. Sound system				
5. Stove				
6. Microwave oven				
7. Other				
8. Other				
9. Other				
10. Other				
		<b>TOTAL</b>		

**SECTION F: SUPPORTING DOCUMENTS**

**Please ensure the applicant and other members of the household (over 18) provide proof of the following:**

1. Proof of income (salary slip, letter from employer, pension card, UIF card, bank statements, etc.)
2. Affidavit declaring unemployment or monthly income

3. Copy of I.D.

**SECTION G: DECLARATION BY APPLICANT:**

I \_\_\_\_\_ (full names and I.D. number), certify that the contents of this application form and the contents of the Sisonke District Municipality’s Indigent Support Policy have been adequately explained to me. I also declare that the information provided in this application form is a true reflection of my household’s situation. I accept that registration as an indigent is subject to renewal on an annual basis. I further accept to take responsibility to bring forward to the municipality any changes in my household situation. I accept the terms and conditions of the application and that indigent registration and the related support is subject to the Sisonke District Municipality’s Indigent Support Policy.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Place:** \_\_\_\_\_

**TERMS AND CONDITIONS**

1. The municipality has a right to conduct on-site audits to verify the information supplied on this application form.
2. The application, if approved, shall be approved for a period not exceeding 12 months, subject to renewal, as per the Indigent Support Policy.
3. The applicant shall inform the municipality of any changes in the household’s situation.
4. Any applicant supplying false information shall be subject to provisions of the Indigent Support Policy.

**SECTION H: DECLARATION BY INTERVIEWING OFFICER:**

**I, the undersigned, who on behalf of the Sisonke District Municipality conducted an Indigent Registration interview with the above applicant, declare that:**

1. All particulars furnished in this form were supplied by the household.
2. None of the above particulars were in any way altered by myself, unless instructed to do so by the household.

\_\_\_\_\_  
**Full name of interviewing officer**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**SIGNATURE: SUPERVISOR**

**FOR OFFICE USE ONLY**

**ACCOUNT NUMBER:** \_\_\_\_\_

**DATE OF RECEIPT OF APPLICATION:** \_\_\_\_\_

**VERIFICATION/SCREENING:**

1. **SITE VISIT (Y/N):** \_\_\_\_\_

2. **REVIEW OF APPLICATION FORM (Y/N):** \_\_\_\_ **COMMENTS:** \_\_\_\_\_  
\_\_\_\_\_

3. **NAME OF OFFICIAL CONDUCTING VERIFICATION:** \_\_\_\_\_

4. **POSITION OF OFFICIAL CONDUCTING VERIFICATION:** \_\_\_\_\_

5. **RECOMMENDATION:** \_\_\_\_\_

6. **SIGNATURE OF VERIFYING OFFICIAL:** \_\_\_\_\_

**APPLICATION APPROVED / NOT APPROVED**

**TYPE OF ASSISTANCE:**

1. **TYPE OF SERVICE:** \_\_\_\_\_ **AMOUNT (R):** \_\_\_\_\_

2. **TYPE OF SERVICE:** \_\_\_\_\_ **AMOUNT (R):** \_\_\_\_\_

3. **TYPE OF SERVICE:** \_\_\_\_\_ **AMOUNT (R):** \_\_\_\_\_

**PERIOD OF ASSISTANCE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**NAME OF OFFICIAL:** \_\_\_\_\_

**SIGNATURE OF OFFICIAL:** \_\_\_\_\_

**CAPTURING DETAILS:**

1. **DATE CAPTURED:** \_\_\_\_\_

2. INITIALS OF DATA CAPTURER: \_\_\_\_\_