

REVENUE ENHANCEMENT STRATEGY 2015/2016

This document seeks to provide an action plan to maximise cash generation and collection and to spread the burden of taxes more equitably.

*FINANCIAL
YEAR 2015/2016*

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RESOLUTION
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SOL PLAATJE MUNICIPALITY – STRATEGIC REVENUE INTERVENTION

Contents

1. Publicity Drive	2
2. List of outstanding debt per ward to be provided to the Speaker	2
3. Government Debt	2
4. Business Debt.....	2
5. Conventional Electricity Meters.....	2
6. Prepayment Meters	3
7. Ensure monthly billing exception reports are properly checked.....	3
8. Filling of key vacancies	3
9. Audit Queries	3
10. Property Tax.....	3
11. Conclusion.....	3

1. Publicity Drive

There is a continued publicity drive to educate consumers on the perils of interim accounts as well as the inconveniences of power supply suspension. The ease with which the municipality handles feedback from the community is also a priority. Communication is key and must flow both ways for the Municipality to provide better services.

We would also like to publicise projects that are on going in respective wards or successes in the city. E.g. in a particular neighbourhood we would like to say that the potholes were fixed last month or a clean-up project is due to start to show the community what we are doing with their money.

Our Policy allows for the write-off/reversal of all interest and penalties reflecting on the account at the time. This may be done in full settlement of the other outstanding amounts. Caution the community that we will be suspending services. Also insert this information in the newsletters sent to accountholders.

2. List of outstanding debt per ward to be provided to the Speaker

This information will be disseminated to the Ward Councillors who will then hopefully convey this information as well as that in point 1 above to their respective constituents. Also, submit this information to the Finance Committee Meeting in the hope of creating a little competition amongst the Councillors.

3. Government Debt

The Municipality has been in close engagement with Government to realise all outstanding debt. This however has been a problem due to insufficient budget support for some government departments. These outstanding amount shave been referred to the various senior managers of the owing government departments and we are pursuing this vigorously.

4. Business Debt

When disconnection of the Businesses takes place, an internal official will accompany the cut team to assist with disconnections and assess what is the actual reason why the businesses are not responding to debt collection notices. The internal official will interact with the client while at the premises for all relevant details that has to be updated and encourage the client to come into the office for the payments and to make arrangements.

5. Conventional Electricity Meters

A programme of replacing all conventional meters where accountholders owe more that R 10 000 has proved very successful. The next round associated with this program is lowering the threshold of debt to R 5 000. This will continue until all of the conventional meters will be replaced in properties with accounts in arrears.

6. Prepayment Meters

All prepayment electricity meter accountholders who owe more than R 10 000 must have their purchase rights suspended until a favourable arrangement has been entered into with SPM.

All prepayment electricity meter accountholders who owe less than R 10 000 will have their purchase value of electricity units reduced to 50 % with the other 50 % going toward their outstanding debt. This will continue until the payment of the debt is realised.

This will also reduce the number of people coming into our service centres because their electricity was blocked.

The rationale behind this is to treat conventional and prepaid consumers equitably.

7. Ensure monthly billing exception reports are properly checked

We have improved our accuracy of billing. However, it is still a risk area that requires our constant monitoring. Key to this is the integrity of our data. A data clean up exercise is underway and is anticipated to identify not only inaccurate data but also to unlock some "lost" revenue.

8. Filling of key vacancies

Three critical vacancies have been advertised. It is hoped that these positions will be filled within the next 3 months. Further vacant critical positions are being submitted for approval to advertise and fill.

9. Audit Queries

A major problem experienced for the last three financial years has been the finding that meters are not being read frequently enough (at least once in a financial year). In 2014/2015 SPM embarked on a major campaign to get readings in etc. Unfortunately, whilst this was a success, there were still some meters which were not read. Faced with this challenge again, the Municipality intends appointing a service provider to assist in ensuring that every meter in the SPM area is read at least once this year. Beyond that, further strategies are being put into motion to ensure that this problem does not arise again.

10. Property Tax

The introduction of a credible GIS and the implementation of the General Valuation Roll has exposed some revenue misses. All properties within the SPM boundary are now accounted for in terms of the Land Audit undertaken. This land audit forms the basis of the valuation roll.

11. Conclusion

The proposals herein are sought to be implemented as a collective as no one strategy will necessarily yield success. Furthermore, I have excluded items such as policy revision, process flow and office accommodation and other long term strategies as this proposal is to bring about the achievement of the target within the next six months and is believed to be implementable and attainable within that period.