



**BREEDDE VALLEY**

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

## REVENUE ENHANCEMENT IMPLEMENTATION PLAN

## **1. Introduction**

Revenue management has become a critical component when it comes to ensuring financial sustainability of Municipalities. Municipalities are expected to prepare their budgets from realistically anticipated revenues. According to the National Treasury “the economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook”. This will therefore have the potential to put further pressure on household income which in turn will have a negative impact on the Municipality’s revenue management initiatives. The on-going electricity loadshedding is also putting a pressure on electricity revenue. With the more and more clients going off the grid the municipality’s debt collection initiatives will also be challenged. The situation therefore requires the Breede Valley to ensure that clients who can afford to pay are billed accurately and debt collection mechanisms are implemented in order to ensure that the financial sustainability of the Municipality is ensured.

The municipality is constantly striving to find ways to improve financial sustainability by enhancing its revenue streams. Breede Valley has developed a revenue enhancement strategy to ensure its financial sustainability and to identify new prospective revenue streams, and simultaneously protecting and enhancing existing ones. During the year under review Breede Valley has reviewed the implementation plan of this strategy. This has been done to ensure that the strategy keeps up with the current challenges and is updated in order to protect current revenue streams whilst also striving to find any new revenue sources.

Breede Valley has also established a Revenue Management Committee consisting of representatives from the different stakeholders within the Revenue Management Value Chain. One of the tasks of the aims of the committee is to improve communication lines between the different role players in the value chain. The committee will prioritise monitoring the implementation of this Revenue Enhancement Plan. This will take place in the form of having monthly meetings.

## **2. The Implementation Plan**

The following implementation plan has been consulted with the different stakeholders. Some of the items form part of an ongoing process, while some have already been implemented and may need to be reviewed in order to ensure that they are still achieving what is required.

NO	SECTION	STRATEGY INTERVENTION	ACTION	TIMESCALE	RESPONSIBILITY	BUDGET
1	LEGISLATIVE FRAMEWORK	Policy and strategy review	It is recommended that all relevant legacy and reengineered processes, policies and procedures be documented. The outcome of such an exercise would be a printed policies and procedures manual, approved at the required authorization level and acknowledged by responsible staff.	Annually	CFO, Senior Manager Revenue, Council	
			All Revenue staff needs to receive a printed copy and extensive training on the policies and procedures.			
			Review, amend and repeal published by-laws, and develop new if required.			
2	PROCEDURES AND INTERNAL CONTROLS	Role clarification and documentation	Develop a practical and comprehensive revenue management manual providing councilors, management and officials with a step-by-step guide of duties within the relevant business cycles	Ongoing	CFO, Senior Manager Revenue	
			Ensure that roles and responsibilities are clearly defined			
		Review of procedures, internal control and business processes	Ensure that accounting control systems are observed, accounting records are kept up to date and maintained in accordance with proper practices	Ongoing		
			Ensure that deviations by officials are reported and that appropriate action is taken in the event of noncompliance			
			Develop and implement applicable forms/templates to support changes in the business process	On-going		

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3	COMPLETENESS OF CONSUMER INFORMATION	Data quality improvement	Perform review, matching, reconciliations and correction of property and debtor information on the FMS. This includes [but is not limited to] the following:	On-going	CFO, Senior Manager Revenue, SAMRAS	
			Matching and reconciliation of properties on FMS with Deeds and Property Valuation Roll			
			Matching and reconciliation of FMS with Infrastructure Fixed Asset Register [FAR]			
			Identify and remedy duplicate and invalid records (ID numbers, meter numbers, etc.)			
			Amend properties without addresses/incomplete addresses			
			Identify properties with meters that do not appear in the meter books and identify properties with incorrect classifications / debtor categories			
			Correct properties with no erf number listed			
			Analysis of debtor types /categories /groups /zoning			
4	INCOMPLETE INFORMATION ON THE BILLING FMS	Billing improvement	Matching and reconciliation of properties on SAMRAS FMS with Deeds and Property Valuation Roll to determine and remedy:	Monthly	Revenue, SAMRAS, CFO, Senior Manager Revenue	
			Properties registered in Deeds but not on FMS			
			Properties in external Valuation and Supplementary			

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			Rolls but not in FMS			
			Inconsistencies in property valuations & property classifications			
			Validation of debtor types / categories / groups / zoning			
			Analysis of non-financial data such as consumption, usage, etc.			
			Confirmation that correct tariffs are applied and that they are calculated correctly			
			Analysis and validation of all tariffs linked to consumer accounts [establish gaps]			
5	CUSTOMER QUERY MANAGEMENT	Query management	Implementation of a query tracking system for walk-in queries to log, track and report on consumer queries;	Ongoing	CFO, Senior Manager Revenue	
			Formal recording and reporting of consumer queries and complaints.			
6	CUSTOMER CARE	Improve Customer Care culture	All municipal officials participating in the revenue management function should be taken through a comprehensive awareness and change management exercise; and	Revenue Staff Workshop to be held by 30 June 2024.	Municipal Manager, CFO, Snr Manager Revenue, Customer Care Officials	
			Performance evaluation criteria to be set and monitored.	Will form part of Individual Performance Management		
7	COMMUNICATION AND INTERACTION	Interdepartmental communication improvement	Improve interaction between departments that are involved in revenue management, including Planning/Building Inspectorate to establish efficient and effective working relationships between	Immediately, Monthly Revenue Management Meeting to be held with the different stakeholders.	Municipal Manager, CFO, Snr Manager Revenue, Directorate Public Services	

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			<p>all Municipal departments in order to maximize revenue and improve credit control. This also involves the following:</p> <p>Determine interaction procedures/protocols for every inter-departmental activity</p> <p>Procedures/protocols to be approved by all departmental heads</p> <p>Allocate responsibility to staff to manage and maintain procedures</p> <p>Implement agreed procedures and interdepartmental protocols</p>			
8	AGREEMENTS WITH EMPLOYERS FOR PAYMENT OF MUNICIPAL ACCOUNTS	Municipal account payments	The municipality should approach the employers (especially the government departments) regarding the facility available to their employees for the deduction of municipal accounts, and the incentive available to employers. A customer's consent should be obtained before implementing the revenue collection mechanism.	Will Initiate engagements and Report to the Municipal Manager by 30 June 2024	CFO, Snr Manager Revenue	
9	DEBTOR BOOK AND DEBTOR ANALYSIS	Debt book analysis, review and improvement	<p>An in-depth analysis of the debt book including the following:</p> <p>Top 100 consumers</p> <p>Top 100 consumers per debtor class/category</p> <p>Age analysis – debt at over 180 day</p> <p>Age analysis – old debt attributable to Government, Business, etc.</p> <p>Split debt per town/suburb</p>	Ongoing	CFO, Snr Manager Revenue	

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			Split debt per debtor category			
			Split debt per service type			
			Split debt per indigent			
			Split debt per owner/tenant			
			Split debt per active/non active			
			Conduct an analysis of the outstanding debt to determine realistically recoverable debt versus nonrecoverable debt [debt to be written off].			
			Analyse Indigent debt and establish an approach.			
			Analyse ‘quick wins’ – the debtor category that should/can pay their accounts and determine and implement sustained credit control actions against them to recover outstanding amounts.			
10	INFORMATION TECHNOLOGY	Data Support Strategy review	Draft, approve and implement a database maintenance and back-up plan	RES to form part of the IT Steering Committee meetings agenda.	IT Manager, CFO, Snr Revenue Manager.	
			Draft appropriate templates to support the plan			
		Integrated IT strategy	IT projects and Investments should be assessed according to municipal objectives.			
			An organizational change communication plan is developed and implemented			
		IT Resourcing & monitoring	Support team is properly staffed to meet business needs.			
			SLA metrics are developed and monitored to measure			

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			performance and meet business needs.	On going recording of codes	Snr Manager Revenue, GIS Manager	
			Duties and responsibilities should be adequately segregated so that no one person can perpetrate and conceal material errors or misstatements			
		GIS Information 21 Digit codes(SG Codes)	Unique identifier across data sets needs to be implemented.			
			Data cleansing to enable monthly management information packs			
11	ASSESSMENT RATES	Review & improvement of the Implementation of General Valuation Roll	Improve communication with municipal valuator.	On-going	CFO, Snr Manager Revenue	
			Ensure that new valuation roll includes current usage.			
			Reconcile the valuation roll to the FMS with regards to zoning, usage and values.			
12	MUNICIPAL PROPERTIES	Review of all renting / leasing arrangements	Establish and confirm all existing municipal properties currently being leased	Municipal Properties Lease Agreement Committee in process of establishment to ensure implementation and thorough review by all relevant internal departments.(Committee established)  On going	Director Corporate Services, Snr Manager Legal Services; Snr Manager Revenue	
			Review terms of existing leasing contracts			
			Establish existing localized market-related leasing values			
			Renegotiate new lease agreements			
13	WATER	Water system improvement	Improve interaction between departments involved to establish efficient and effective working relationships and improve the flow of non-financial data	Monthly Revenue Management Meetings to be held.	CFO, Snr Manager Revenue, Directorate Public Services	



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			Determine interaction procedures/protocols for reading of zone meters and reconciliation of water distributed to areas	Quarterly Inspections of low users to be conducted.		
			Procedures/protocols to be approved by all departmental heads			
			Allocate responsibility to staff to manage and maintain procedures			
			Implement agreed procedures and inter-departmental protocols [monitor distribution losses]			
		Meter assessments	Conduct random meter inspections to determine instances of meter tampering, by-passed meters, illegal connections, condition of meter and water leaks			
		Meter Audit	Appoint a Service provider to conduct a meter condition assessment/audit.	Part of Budgetary request for implementation before 30 June 2026	J Pekeur/M Magadla	
		Reduce Water Losses to acceptable levels	Consider installing automated Bulk meters at the Dam and Reservoirs to get early warning signs.	30 June 2026	J Pekeur	
			Zonal Meters should be installed at critical points to closely monitor water losses hot spots. Should be read remotely.			
			Implementation of pipe cracking to ensure proactive measures for water protection.			
			Fix leakages at households owned by Indigent Clients.	On-going	J Pekeur	
		Business Bulk Meters upgrading	Develop a business plan in order to propose	30 June 2026	J Pekeur	

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			upgrade of all the Business Bulk meters be remotely monitored (Telemetry)			
		Meter Issues at Stores Reconciled with Meters used.	Monthly reconciliations of all meters issued by stores should be reconciled to meter installations by Public Works.	On going	J Pekuer	
		Dam and Reservoir Bulk Meter upgrading	Upgrade Bulk Meters at the Dam and Reservoirs by installing Telemetry Bulk Meters.	30 June 2026	J Pekeur	
14	SEWERAGE	Sanitation system improvement	Ensure that best practice is applied in operating and maintaining municipal services infrastructure in a sustainable manner.	Annually	CFO, Snr Manager Revenue, Directorate Public Services	
			Improve communication regarding non-financial data			
		Tariff framework review	Review and confirm the sewer consumer categories	Annually		
		Meter assessments	Conduct random meter inspections to determine instances of meter tampering, by-passed meters, condition of meter and illegal connections			
15	ELECTRICITY	Electricity system improvement	Ensure measures in place to monitor electricity purchases which may be indicative of tampering [monitor sales variance reports to detect anomalies, such as high/low purchases];	On-going	Snr Manager Electrical Services, Manager Electrical Services, Snr Manager Revenue.	
			Ensure reporting and monitoring protocols [monitor distribution losses] in place between Finance and Technical Departments to ensure			

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			instances reported are addressed in a timely manner.			
			Implement Council Decision to phase out all conventional meters and replace conventional meter with prepaid meters immediately.	30 June 2025	Snr Manager Electrical Services, Manager Electrical Services.	
			Investigate the provision of electricity to informal settlements to ensure that electricity losses are limited.	On going	Snr Manager Electrical Services, Manager Electrical Services.	
			Conduct a workshop with relevant stakeholders on the current status of the SSEG project and investigate ways to make it a success/Communication	On going	Snr Manager Electrical Services, Manager Electrical Services.	
			Ensure that all the token identifiers (TID) used to identify each credit token on STS meters are updated by the due date of November 2024.	30 June 2024	Snr Manager Electrical Services, Manager Electrical Services.	
			Perform a cost-of-Service Study as required by NERSA.	29 March 2024	Snr Manager Electrical Services, Manager Electrical Services.	
16	REFUSE	Business Wheelie bin assessment	Verification of bins vs FMS vs FAR	30 September 2023	Manager Solid Waster, Senior Manager Revenue, Snr Manager Public Works	
		Identify and train field workers from the ones sponsored by Department of Environmental Affairs to perform Residential Wheelie bin assessment	Verification of bins vs FMS vs FAR	August 2023 – and audit will be onn-going		

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		Refuse system improvement	Develop and document protocols/procedures to issue & replace wheelie bins and reconcile usage	Monthly Meetings between Finance and Solid Waste		
			Improve communication on non-financial data	Monthly Meetings between Finance and Solid Waste		
			Review Tariffs to ensure that they are cost reflective	31 December 2023	Manager Solid Waster, Senior Manager Revenue, Snr Manager Public Works	
17	CEMETERIES	Burial register review	Review manual and electronic registers	2-4 months	CFO, Snr Manager Revenue, Directorate Public Services	
			Develop proper controls and procedures regarding the cemetery service			
18	SWIMMING POOLS, SPORT FIELDS, COMMUNITY HALLS	Tariff review	Investigate framework for revenue charges and introduce new tariffs where practical	Annual Review as part of tariff Determination	Director Community Services; Manager Community Facilities; CFO; Snr Manager Revenue	
		System Improvement	Develop proper controls and procedures for service.	On-going investigations of best solution.		
19	RESORTS	Management review	Review and resolve rental agreements	Annually Renewed with new tariffs.	Director Community Services; Manager Community Facilities; CFO; Snr Manager Revenue.	
			Investigate electronic Booking System.			
20	AIRFIELD	Airfield review	Conclude new agreement with WAFA/Contract in place will be renewed in December 2025	31 December 2025	Snr Manager Legal Services.	
21	TRAFFIC AND FIRE SERVICES	Event tariff review	Comparison of event tariffs for law enforcement officers of neighboring municipalities	Annually	Director Community Services; Chief Fire Services; Chief Traffic; Snr Manager Revenue.	
		Traffic fine collection review	Review collection of traffic fines i.r.o. of resourcing and impact			

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			and success of operational procedures & processes	Quarterly Review of the SLA with Service Provider		
22	TOWN PLANNING AND DEVELOPMENT	Planning improvement	Improve communication with municipal valuator	2-4 months	CFO, Snr Manager Revenue. Directorate Public Works, Snr Manager Town Planning, GIS	
			Improve the implementation of punitive measures regarding unapproved construction activities			
			Ensure that new valuation roll include current usage as well as zoning			
23	INDIGENT MANAGEMENT	Vetting of Indigent Applications	Ensure that the policy requirements when it comes to the qualification criteria is implemented.	On-going	Snr Manager Revenue	