

NQUTHU MUNICIPALITY REVENUE ENHANCEMENT STRATEGY

FUNCTION	PROBLEM STATEMENT OR CHALLENGE	EXTENT OF THE PROBLEM OR REVENUE LOSS	STRATEGIES	ACTIVITIES OR INTERVENTION	REVENUE IMPACT	BUDGET OR FINANCIAL IMPLICATION	TIMEFRAME	RESPONSIBLE
Energy distribution license	Small portion of Nquthu town is licensed, revenue base for electricity is restricted	Revenue base for electricity is restricted	Engage with licensing board on extension of license area	Application to NERSA to broaden the license area	Energy revenue base to increase	To be determined	30 June 2024	Management Technical Services
Municipal housing	Dilapidated state of municipal houses for letting to employees/ tenants	Revenue received from letting of houses is not in line with market rates	Adopt and implement buildings repairs /maintenance management plant	Implement buildings repairs /maintenance management plant	Revenue from letting of property can be increased	To be determined	30 June 2024	Management Technical Services
Human Settlements	Lack of development in identified vacant land in Nquthu town & Nondweni town.	Loss of revenue from vacant stands.	Develop land parcels through the land availability/ land donation agreement	Monitor development of identified land	The municipality to earn revenue from the developed stands to be sold by the service providers.	R1 000 000	30 June 2024	Management Planning and Development
	Lack of proper building regulation, for property	Loss of revenue from already improved properties in	Adopt and implement building regulation policies and by-laws.	Establishment of townships and development of the identified land	The selling of developed stands in Nquthu will generate +-		30 June 2024	

	improvement in Empumelelweni and Phase 2 areas within Nquthu town.	Empumelelweni and within town.		parcels by the service providers.	2millions in revenue.			
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Land Use Management	Formalization of vandalized, abandoned and invaded properties.	Poor collection of property rates and services charges in the areas	Expand revenue base through the land tenure upgrade	Township establishment or formalization and transfer of the properties to the beneficiaries.	Revenue to be generated to be determined.	R1 500 000	30 June 2024	Management Planning and Development
	Semi-formalization of land earmarked for low cost housing and transfer of ownership.	A sizeable chunk of the municipal area is allocated for low cost housing, the beneficiaries do not hold title deeds.		Consultation of all affected members of the public, Pegging of stands Developing general layout plans for each township	Rates can be collected from property owners as well as taxes from over 2 000 stands	Financial implication to be determined.	30 June 2024	Management Planning and Development

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Land Use Management	<p>Inefficiencies in the approval of the building plans due to turnaround time.</p> <p>Ineffective system of issuing certificates authorizing occupation of the building and property re-valuation</p>	<p>Long turnaround time to approve building plans</p> <p>Improved property not re-valued thus revenue recognition is inaccurate.</p>	<p>Enhance and improve on the building plan approval system</p> <p>Adopt and implement property development working plan and timeframes.</p>	<p>Upgrade of the building plan approval application system</p> <p>Development of workflow procedure</p>	<p>Additional property rates and services charges revenue to be generated from the increase in the value of the property</p>	R0	31 December 2024	Management Planning and Development
Land Use Management	Inefficiencies in town planning, advertising management, town evaluation system	Invasion of unused spaces, improper and unauthorized adverts erection	Adopt and implement property development working plan and timeframes.	<p>Upgrade of town planning evaluation system</p> <p>Development of workflow procedures</p>	<p>Revenue can be generated from authorized advertising spaces</p> <p>Clean, organized town entice investors, revenue collection base increase.</p>	R500 000	31 December 2024	Management Planning and Development

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Economic Development	Lack of infrastructure support for emerging enterprises	Loss of rental revenue from emerging enterprises	Development of incubation hubs (i.e.Boxer, Spar, Cambridge, Taxi ranks)	<ul style="list-style-type: none"> Development of business plans for the incubation hubs for grant funding Development and management of the hubs 	Rental revenue from the incubation hubs	R1 000 000	30 June 2024	Management Planning and Development
Township establishment	Townships Established not registered in the deeds office and no transfer of title deeds to beneficiaries	Property rates revenue is not generated from these properties	Improve property rates revenue generation.	<ul style="list-style-type: none"> Registration of the townships to the deeds office. Transfer of the ownership of the properties to the beneficiaries. 	Additional property rates and services charges revenue to be generated due to the increase in the value of the property	R10 000 000	30 June 2024 30 June 2024	

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Stadium Management	Nquthu Stadium lack a proper stadium management model	revenue is lost due to the lack of the proper stadium management model	Enhance revenue generation of the stadium	Implementation of the stadium management model	Additional revenue can be generated from naming rights, hosting events, selling of suits etc.		30 January 2024	Community Services Management
Parks and Cemeteries	Lack of parks within town, Poor state of cleanliness of entry and exit points to and from town	Substantial revenue is lost due to the lack of the proper parks management model	Develop and implement parks management system	Implementation of the parks management system.	Potential investor's attraction, tourist attraction.	R3 000 000	31 December 2024	Community Services Management
Recreational Facilities	Outdated and dilapidated state of recreational facilities	Loss of revenue from bookings of facilities due to their poor condition.	Adopt and implement facility service plan.	Monitoring of facilities service plan, ensure good state of facilities i.e. interior and exterior.	Booking to full capacity of municipal facilities can generate revenue.	R1 500 000	31 December 2024	Management Community Services

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Waste management	No revenue is collected for refuse collection in Nondweni, lack of waste collection in Empumelelweni phase 2.	Loss of revenue from not servicing other areas	Expanding the revenue base.	<p>Conduct feasibility studies on the service delivery mechanism.</p> <p>Implementation of the waste management service delivery mechanism or model</p>	Likely to generate above R1m in revenue per annum.	R 2 500 000 per annum over a period of five years	<p>31 December 2024</p> <p>30 June 2024</p>	Management Technical Services
Energy Management	Commercial or non-technical electricity distribution losses	Municipality experience energy loss above 44% per annum from its distribution network and the billing system	<p>Enhance electricity distribution networks,</p> <p>Ensure proper procedures in acquiring billing information, i.e. readings, new connection, replacements, tampered meters and usage of reliable billing system.</p>	<p>Conduct meter audits, substation, mini subs and all other distribution infrastructure audits and assessment.</p> <p>Verification of meter and stand data</p> <p>Resealing of meters and replacement of faulty meters</p> <p>Issuing of tamper fines</p>	<p>Revenue recognition over 1 million per annum can be achieved,</p> <p>Energy loss curbed.</p>	Appoint service provider to conduct all energy network audits. Costs to be determined.	30 January 2024	Management Technical Services

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Energy Management	Commercial or non-technical electricity distribution losses	Energy loss due to unreliable meters and meter readings	Enhance electricity revenue protection	Introduce smart meters for prepaid customers, upgrade conventional meters to keep up with modern technology.	Controlled energy loss, increased revenue collection.	Appoint service provider to conduct all energy network audits. Costs to be determined	30 December 2024	Management Technical Services

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Revenue Management	electricity distribution losses	Tighten controls on third party vending systems.	Enhance electricity revenue protection	Conduct regular audits and reconciliation of the prepayment revenue collected by all vending points and third party agencies	R0	Not applicable	Monthly	Management Budget & Treasury
Revenue Management	Law enforcement revenue	Improper recording and revenue recognition of animal pounding, keeping of animals	Enhance revenue protection through proper recording of tariffs for animal keeping offences. Implement tariffs and by-laws.	Monitor and audit of transactions relating to animal keeping.	R0	Not applicable	Monthly	Management Law Enforcement and Traffic Management

Energy Management	High own consumption electricity cost incurred	Own consumption cost of electricity not monitored.	Energy efficiency – Municipal Buildings	Identify municipal buildings that have high energy usage, switch to efficiency lighting equipment's or energy savings equipment	Reduction on energy cost	R0	31 December 2024	Management Technical Services
Traffic Fines revenue	Lack of enforcement measures to execute Warrant of Arrest	Outstanding income out of Traffic Fines Warrant of Arrest (WoA) exceed R2 million	Improve execution of Warrant of Arrest	Implement a bulk SMS/MMS system Establish a Call Centre Procure roaming vehicles fitted with cameras Implement traffic fines payment Portal	Additional revenue can be generated	To be determined	30 June 2024	Management Law Enforcement and Traffic Management
Property rates revenue	Loss of revenue due to properties registered in the name of municipality but not used by the municipality	properties are registered in the name of the municipality resulting in a possible loss of income	To enhance the property rates revenue generation.	Identify and verify all properties registered in the of the municipality to be transferred to the rightful beneficiaries/ owners;	Additional revenue per annum will be generated.	R500 000	30 June 2024	Management Planning and Development
	Omission of properties during compilation of general valuation roll.	Identify properties that are not included on the valuation roll (schools, clinics, and police stations, etc.)	Expand the property rates revenue base.	Co- operation with GIS office for inclusion of all properties Access to deed search to validate general valuation roll	Revenue base to increase	R500	30 June 2024	Management Budget & Treasury office

The financial implication and timeframes will be confirmed by the relevant personnel upon consultation on final budget for the financial year 2023/2024. The determinations made on the document relating to budget are estimations subject to verification and confirmation.

Revenue Enhancement Strategy adoption date: _____

Council resolution number: _____