FETAKGOMO TUBATSE

LOCAL MUNICIPALITY

REVENUE PROTECTION

AND

ENHANCEMENT STRATEGY

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1. Constitution of RSA

Section of 229 the Constitution state that Municipal fiscal powers and functions.-(1) Subject to subsections (2), (3) and (4). A municipality may impose- ((I) rates on property and surcharges on fees for services provided by of the municipality. The Constitution of the Republic of South Africa, SS. 229 - 230A No. 108 of 1996 SS. 229 - 230A *(h) state that municipality if authorised by national legislation may levy other taxes. Levies and duties appropriate to local government or to the category of local government into which that municipality falls, but no municipality may impose income tax, value-added tax, general sales tax or customs duty.

The power of a municipality to impose rates on property, surcharges on fees for (a) may not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities across municipal boundaries, or the national mobility of goods, services, capital or labour; and services provided by or on behalf of the municipality, or other taxes, levies or duties-(17) may be regulated by national legislation.

2. Subsidiary Legislative Requirements

2.1 Municipal Finance Management Act

Section 64, subsection 1 and 3, of the MFMA states that the accounting officer of a municipality is responsible for the management of revenue. The accounting officer must for the purposes of subsection take all reasonable to ensure:

(a) That the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy; the revenue of the municipality.

(b) That revenue due to the municipality is calculated on a monthly basis:

(c) That accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;

(d) That all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;

(e) That he municipality has and maintains a management, accounting and information system which- (i) Recognises revenue when it is earned;

(ii) Accounts for debtors; and

(iii) Accounts for receipts of revenue;

(f) That the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;

(g) That the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework: and

(h) That all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

The accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days

2.2 <u>Municipal Systems Act</u>

Section 74 of the Municipal Systems Act states that tariff policy of a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act, the Municipal Finance Management Act and any other applicable legislation.

A tariff policy must reflect at least the following principles, namely that-

(a) Users of municipal services should be treated equitably in the application of tariffs

(b) The amount individual users pay for services should generally be in proportion to their use of that service;

(c) Poor households must have access to at least basic services through-

(I) Tariffs that cover only operating and maintenance costs,

(ii) Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or

(iii) Any other direct or indirect method of subsidisation of tariffs for poor households;

(d) Tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;

(e) Tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;
(f) Provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
(g) provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
(h) The economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
(i) The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

(3) A tariff policy may differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination. By-laws to give effect to policy (1) a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy. (2) By-laws in terms of subsection (1) may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.

General power to levy and recover fees, charges and tariffs (1) A municipality may- (a) levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and (b) recover collection charges and interest on any outstanding amount. (2) The fees, charges or tariffs referred to in subsection (1) are levied by a municipality by resolution passed by the municipal council with a supporting vote of a majority of
Section 95 of the Municipal System Act state that the customer care and management In relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity-

(a) Establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality, and where applicable, a service provider,
(b) Establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider regarding the quality of the services and the performance of the service provider;

(c) take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which monies raised from the service are utilised;
(d) Where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;
(e) Ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;
(f) Provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
(g) Provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
(h) Provide mechanisms to monitor the response time and efficiency in complying with paragraph
(g) Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.

Section 97 of the Municipal System Act state that contents of policy a credit control and debt collection policy must provide for-
(a) Credit control procedures and mechanisms;
(b) Debt collection procedures and mechanisms;
(C) Provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents;
(d) Realistic targets consistent with- (I) general recognised accounting practices and collection ratios; and (ii) the estimates of income set in the budget less an acceptable provision for bad debts;
(e) Interest on arrears, where appropriate;
(f) Extensions of time for payment of accounts;
(g) Termination of services or the restriction of the provision of services when payments are in arrears;
(h) Matters relating to unauthorised consumption of services, theft and damages; and (I) any other matters that may be prescribed by regulation in terms of section 104. (2) A credit control and debt

2.3 Municipal Fiscal and Powers Act

The Minister may prescribe compulsory national norms and standards for imposing municipal surcharges, which may include, amongst others, maximum municipal surcharges that may be imposed by municipalities. (2) The norms and standards contemplated in subsection (1) may (a) in respect of maximum municipal surcharges

express the maximum municipal surcharge that may be imposed as a ratio, a percentage of the municipal base tariff or a Rand value;
provide bands or ranges within which municipal surcharges may be imposed; (

b) Differentiate between different –

(i) kinds of municipalities, which may be defined in relation to the capacity of a municipality, a category, type or budgetary size of municipality;
(ii) types of municipal services;
(iii) levels of municipal services;
(iv) categories of users, debtors and customers; (v) consumption levels; and
(v) geographical areas;

(c) Determine the basis upon and the intervals at which municipal surcharges may be increased; and

(d) Determine matters that must be assessed and considered by municipalities in imposing municipal surcharges on fees.

3. <u>Obligations of municipality in respect of municipal surcharges</u>

(a) A municipality must, when imposing a surcharge on fees for services provided by it or on its behalf, comply with any norms and standards contemplated in section 8.

(b) The Minister may, where practicalities impede strict compliance with the norms and standards prescribed in terms of section 8, of his or her own accord or on application by a municipality, or a group of municipalities or organised local government, by notice in the Gazette exempt a municipality from complying with any norms and standards contemplated in section 8 for a period and on the conditions determined in the notice. (c) An exemption under paragraph (b) may - (i) apply to municipalities generally; or (ii) be limited in its application to a particular municipality or kind of municipality, which may be defined in relation to the capacity of a municipality or the category, type or budgetary size of municipality.

Section 75A(2), (3) and (4) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), relating to the manner in which fees, charges or tariffs are levied and how a resolution in that respect must be made known, applies with the changes required by the context to a municipal surcharge. (3) A municipality must annually as part of its budget preparation process review any municipal surcharges.

4. Objectives

Sources of funding for municipalities

The primary responsibility of a municipality is to deliver services; this is what the municipality's "business" is about. Section 75A of the Municipal Systems Act allows municipalities to levy and recover fees, charges or tariffs in respect of municipal service delivery functions and to recover collection charges and interest on outstanding amounts. Furthermore, section 75 of the Act, makes it a necessity for municipalities to adopt by-laws to give effect to the implementation and enforcement of their tariff policies; in fact, all policies and supporting decisions taken by the municipal council must be supported by a by-law to make it legally enforceable. Failure to comply with the necessary by-law requirements may expose the municipality to litigation. Section 216 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual Division of Revenue Act (DoRA) to assist them in exercising their powers and performing their functions. These allocations are announced annually in the national budget.

Transfers to municipalities from national government are supplemented with transfers from provincial government. Furthermore, funding is also channelled from district municipalities to local municipalities. The complete local government fiscal framework is designed to fund municipalities as graphically illustrated below: Direct transfers Municipal operating budget Municipal capital budget equitable share.

Equitable share allocations are intended to supplement municipal own revenue that is derived from trading services and property rates. While municipalities may use their equitable share allocation at their discretion it is primarily intended to fund free basic services.

Where the municipality's Operating Statement of Financial Performance does not generate a surplus the consequence is that there will be no 'own funding' to finance the road infrastructure. However, if the municipality has cash backed reserves from previous financial years, that is, if surpluses were generated on the Operating Statement of Financial Performance during previous years, there may be 'own funding' available. Municipalities may also borrow money to fund for their capital budget however this is dependent on the strength of their Statement of Financial Position (Balance Sheet) and their ability to repay the associated finance charges. Funds derived from borrowing should only be utilised to finance infrastructure that is economically beneficial and generates revenue for the municipality.

National government makes capital transfers to municipalities and these transfers are targeted at specific capital projects. The Municipal Infrastructure Grant (MIG) is specifically allocated for the eradication of infrastructure backlogs.

Another source of funding may be in the form of public contributions and donations where external sources provide money to a municipality, for example, property developers are required to make contributions for engineering services provided.

Circular 59 includes a list of the annual Conditional Grant Schedules that specify the various types of conditional grants allocated to municipalities. MFMA Circular No 64 Revenue Management November 2012 Page 6 of 15 4

Own Revenue Municipality generate revenue from trading services and property rates levied as explained above. Municipalities must do more to exploit the potential of their own revenue sources; this means that every effort must be made to ensure that all properties are correctly charged for property rates and for all municipal services rendered to the property.

Regular reconciliations must be undertaken to check if billing records are complete, that is, that all properties are correctly billed for property rates and all trading services consumed. Municipalities must strive to get the basics right. This means that municipalities must put the necessary processes in place to ensure integration of all municipal functions along the revenue value chain. A brief description of the basic sources of municipal revenue is provided below.

Property rates Municipal property rates are a tax levied on the market value of properties within the municipality's jurisdiction. Property rates must be determined in terms of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004) (MPRA). The MPRA provides for municipalities to adopt a Rates Policy that is consistent with the provisions of the Act, for the levying of property tax on all rateable properties within its area of jurisdiction. Furthermore, municipalities must pass a by-law and publish it in the provincial gazette; this gives effect or legalises the levying of property rates by the municipality.

The municipality's budget finalisation process must include passing a resolution for the levying of property rates per category of property; this resolution must be promulgated in the provincial gazette upon ratification of the budget decisions. Failure to comply with this promulgation process may render the cent in the Rand unenforceable for a particular financial year; and consequently uncollectable thereby posing a significant risk to the municipality's financial sustainability.

Understanding the municipal property rates base. The municipal property rates base is the value of all rateable properties within its municipal boundaries which the municipality has valued for the purpose of levying property rates; and in accordance with its Rates Policy.
The General Valuation Roll and subsequent Supplementary Valuations are the source of this baseline information; it provides an indication of how much property rates revenue the municipality has the potential to raise from its property base.

This information is fundamental to equitable and fair budget planning in respect of the municipal tariff setting process for property rates; that is, determining the rate in the Rand applicable for each of the categories of property provided for in the municipality's Rates Policy.

The municipality must firstly ensure that it has accurate information of all the land and/or properties within its area of jurisdiction, that is, the cadastre.

The appetite for property investment within the municipal area is influenced by the availability and efficiency of a municipality's infrastructure, economic viability, the rate at which plans for property development are processed (that is, the efficiency of the Town Planning functions), cost implications and return on investment amongst others. This impacts the growth of the municipality's rates base.

The municipality must track the plans approved for property development from the foundation building to the final inspection phase whereupon the 'certificate of occupation' is issued; this should serve as a 'trigger' for the Valuations unit to do a supplementary valuation and categorise the property accordingly. The billing records must be updated with this information and the correct cent in the Rand, based on the category of property must be applied.

It is imperative that a municipality's Revenue Management function makes provision for the reconciliation of billing data to the Deeds Registry to confirm the accuracy of property ownership information; to the Valuation Rolls to confirm the accuracy of property values and the category of property (with consideration for 'use' and 'permitted use') that informs the usage and the applicable cent in the Rand to be applied.

This reconciliation of billing information to other systems or functions within a municipality is necessary to ensure that the municipality is able to maximise the billing and collection of property rates revenue. The frequency of such reconciliation will vary depending on the municipality's circumstances.

It is prudent, to ensure the protection and growth of the revenue base, that municipalities should have processes in place to track town planning functions that may change the characteristics of properties within the four year valuation cycle; and reconcile any movement in property values to their monthly billing for property rates.

Cadastre The cadastre is an official record of dimensions and values of land parcels used to record ownership and serve as a basis for calculating property rates. The cadastre commonly includes details of the ownership, the tenure, the precise location (some using GPS coordinates), area dimensions, cultivations if rural property and the value of individual parcels of land. Cadastres are used in conjunction with other records, such as a Deeds Register.

Where municipalities have effective internal processes in their revenue management or billing environment they should be aware of any transfer of ownership before such information reaches them from the Deeds Registry.

5. <u>Background</u>

Fetakgomo-Tubatse Local Municipality is the new municipality which was e amalgamated in 2016 after the elections. The amalgamation meant that the municipality had to focus on collection on revenue and enhancement thereof in order to bridge the gap between the then Fetakgomo Municipality which was grant depend. The revenue protection and enhancement strategy will assist the municipality to identify new and enhance the existing revenue in order for municipality to be financial sustainable.

The municipality currently is collecting an average of 75 % against the 95% of which is the collection rate norm and this poses the threat to the municipal fiscal position and the there is need to priorities the revenue management is the core function of the municipality in order for the municipality to render services without any hindrance. It is against this background that the municipality through the Budget and Treasury Office is developing these comprehensive strategies to fund the municipal with the view of long term sustainability.

Previously the municipality was only able to collect less 60% and the collection rate improved to 75%,whereby on some other months the municipality achieved over 85% collection rate.
The municipality is aiming to increase revenue collection to 90% or more in the next three financial years. The norm for collection norm is 95% however it will take time for the municipality to reach this norm because of the challenges still encountered by the municipality, especially on the recovery of the long outstanding debts.

6. <u>Debt collection</u>

Municipalities' customer care and debt management practices should be stipulated in their credit control and debt collection policies, revised annually; and supported by the relevant by-law, as prescribed in Chapter 9 of the Municipal Systems Act. National Housing Board Title Deeds In terms of the Housing Act, 1997 (Act No. 107 of 1997), sections 7(3) (d) and 14(2) (c) provinces should have requested the Registrar of Deeds to endorse the title deeds of properties in the name of the relevant department where such properties were not passed to beneficiaries or where ownership was not transferred to municipalities. Properties still registered in the name of the former National Housing Board or in the name of former statutory bodies and statutory funds therefore have incorrect ownership information reflected on municipal billing systems; this poses a problem when property rates are billed as the registered property owner is liable for property rates. This exercise is necessary to ensure that the departmental immovable property register is correctly maintained. Government property and municipal debt The National Department of Public Works was previously responsible for paying property rates for properties owned by them and also for properties owned by the Provincial Departments of Public Works.

This responsibility was devolved to Provincial Public Works departments with effect from 1 April 2008, and since then, the National Department of Public Works pays property rates only for the properties owned by them. The necessary process to update property ownership and to correctly allocate funds to pay the annual property rates has been problematic as much still needs to be done; this is among the contributing factors to the growth in government debt. In 2011 the National Department of Public Works undertook to settle outstanding amounts for property rates owed by provincial Public Works departments; this process of reconciling invoices and asset registers to confirm property ownership is still in progress. The department of Rural Development and Land Reform only pays for the farm portions excluding improvements, whereas it is still difficult for different Government Departments to pay for those improvements that are on those farms.
Even though quarterly Provincial Debt Forums are held, the Government debts are still a challenge, not only for FTLM but for most of the municipalities.

7. Trading services

The municipality must have complete information about their revenue base so that they can build a revenue budget that is credible.

Even before the amalgamation the Tubatse Local Municipality was battling with the recovery of debts from the rate payers.

Areas that Fetakgomo-Tubatse Local Municipality is imposing rates and taxes and will enhance revenue from are as follows:

Towns:

a) Steelpoort

This area has huge potential for municipality to enhance municipal revenue because it is predominately mining and industrial area with a huge revenue potential.

b) Ohrigstad

This area is an agricultural hub of the municipality and it has huge revenue potential, if the municipality put proper revenue measures it can collect substantial revenue.

c) Burgersfort

The town has huge revenue potential and it can contribute 50% of the municipal revenue if the strategies are implemented properly. This town had got formal businesses, government properties and huge households and the town is proclaimed.

Farms including Mines

Municipality has got an opportunity to collect and enhance revenue from farms and the mining houses through the jurisdiction of the municipality.

Apel, Tubatse A (Praktiseer) and Mapodila-A

These townships and areas have potential if the municipality can increase the level of services.

The targeted strategy will be used in order to leverage on the revenue potential of this areas.

8. Current Main Revenue Sources

Below is the current status of the municipal revenue which need to be enhanced to avoid potential revenue shrinkage and poor collection which might lead fiscal sustainability challenges.

8.1 Age Analysis as at March 2023.

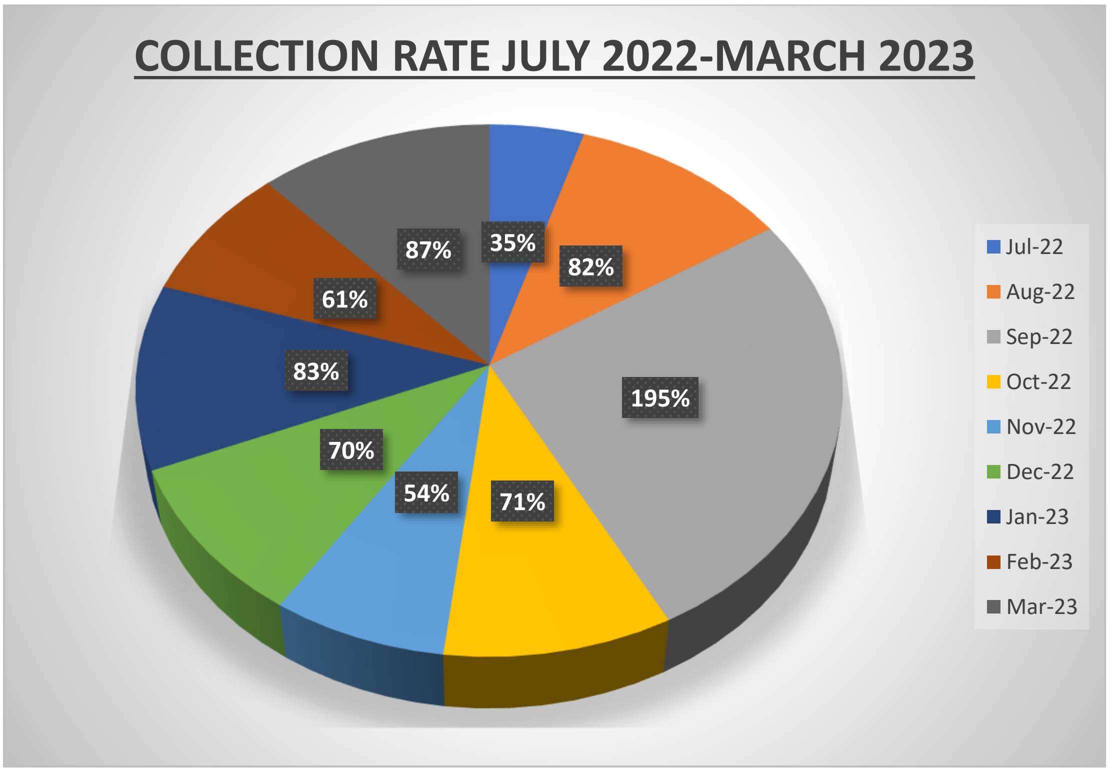
Age Analysis per Customer Group (Excluding Credits Amounts)

Debtor Type	0-30 days	31-60 Days	61-90 Days	91 Plus Days	Total
Business	R 5 510 227.51	R 1 208 063.48	R 1 168 399.25	R 49 687 745.64	R 57 574 435.88

Industrial	**R 917 977.45**	**R 364 699.43**	**R 333 895.18**	**R 7 392 650.32**	**R 9 009 222.38**
Domestic	**R 10 495 899.38**	**R 3 501 888.02**	**R 3 413 501.64**	**R 135 867 451.86**	**R 153 278 740.90**
Government	**R 3 184 861.40**	**R 857 719.83**	**R 853 006.00**	**R 91 541 684.76**	**R 96 437 271.99**
Farms	**R 476 657.21**	**R 127 485.21**	**R 125 380.29**	**R 27 855 508.65**	R 28 585 031.36
Grand Total	R 20 585 622.95	R 6 059 855.97	R 5 894 182.36	R 312 345 041.23	R 344 884 702.51

Collection Rate July 2022 to March 2023

The statistics indicate improvement in revenue collection. The current average collection rate is 76%.



8.2 Revenue strategies to protect and enhance revenue.

8.2.1 Completeness of the valuation roll and other major revenue sources

This assignment will assist municipality increase the revenue by correcting the errors identified in the valuation roll including the correction through section 78 of the municipal property rates Act. The alignment between valuation roll and tariffs as well as the other key sources will be implemented in order to ley rats accurately and with the correct valuation. This strategies will increase municipal revenue by at least R100 Million per annum.

8.2.2 Implementation of Credit Control and indigent management. And Debt Management

The Municipality need to develop an efficient debt collection strategy in order to recover debts that are 90 days older. Capacitating of Credit Control Section is also vital, and putting in place systems that are user friendly for Credit Control and Debt Management Process. Poor Credit and Debt Management is mainly due to the systems that are not in line with Credit Control and Debt Management processes and procedures. This strategy will ensure that municipality protect its limited revenue.

Free basic services is defined as the minimum amount of basic levels of service, provided on day to day basis, sufficient to cover or cater for the basic need of poor households.

If the Municipality can put in place an accurate indigent register, rebates can be applied to poor households of which mostly is in our two townships (Tubatse A and Mapodile A) of which the collection rate is less than 10% on monthly basis.

The debt book of the Municipality can significantly decrease on monthly basis, as it includes those customers that cannot afford. If the Indigent Register is in place the Municipality can focus on those customers that can afford to pay rates and taxes.

8.2.3 Debt Collection

Debts that are 90 days plus are debts those are not easy for a Municipality to recover on their own. This is where the Municipality, after following all Credit Control and Debt Management process has to handover those accounts to the Debt Collectors. In January 2021 the municipality appointed two debt collectors, Morkalio Revenue Solutions (PTY) and Hahleteka Revenue Enhancement Systems for a period of 36 months. The appointment of the debt collectors has assisted in the improvement of collection rate.

Below is the debt collector’s performance for 2022/2023 Financial Year (First Quarter to Third Quarter)

Period (Quarter)	Total Collection	Debt Collector’s Portion	Municipality’s Portion
First Quarter	R 5 395 315.13	R 582 937.56	R 4 812 377.57
Second Quarter	R 3 041 593.18	R 333 425.22	R 2 708167.96
Third Quarter	R 5 851 668.65	R 656 595.64	R 5 195 073.01

8.2.4 Continuous Valuation Roll

The municipality must on continues basis update its Valuation roll as and when there are new properties, Subdivisions, Zoning etc.

The appointed Municipal Valuer must submit prepare and submit and Supplementary Valuation Roll every Financial Year.

8.2.5 Tariff Modelling

It is crucial for a Municipality to have a transparent tariff Modelling.

Objectives of Transparent Tariff Modelling:

- To provide a systematic process to tariff setting.
- Tools used to assist the Municipality with transparent tariff decision making process that aims to:
- Assist with the establishment of a baseline tariff.
- Set tariffs that are cost effective.
- Financial implications of strategic decisions
- Financial Sustainability of the Municipality

8.2.6 Revenue By-Laws

The Municipal Revenue by-laws are formulated and gazetted to give proper effect to the Municipality's policies on:

- Tariffs
- Credit Control and Debt collection
- Indigence Management

And the Municipal Revenue By-Laws must be read in Conjunction with the approved Municipal Policies and within applicable provisions of the following legislation:

I. Local Government: Municipal System Act No.32 of 2000
II. Local Government: Municipal Finance Management Act No.56 of 2003
III. Local Government: Municipal Property Rates Act No.6 of 2004

8.2.7 Acquisition of Eskom distribution Licence and application of the Licence from NERSA

This strategy will assist the municipality to implement credit control and the main focus will be in Burgersfort as part of the long hanging fruit. This will further increase municipal revenue by at least R150 million per annum. Finance will be able to leverage on the vending as part of the solution to cut off non-paying customers, the acquisition will either be concluded either on an off balance sheet funding or on balance sheet funding. Revenue section will prioritise this project since it is crucial for municipality to have credit control solution.

8.2.8 Unlocking of additional grants and donations

The office of the CFO will work with the relevant departments to unlock grants which are not allocated to the municipality and those departments will have to commit on the proper and disciplined project management in order assist in spending the new grants allocated. These new grants will enable the Municipality to further accelerate the service delivery.

8.2.9 Development Charges and other potential revenue

The municipality will develop the policy on development charges as part on realising untapped revenue sources.

This will include the extension of waste collection to non-receiving whereby the municipality will charge a flat rate in order to generate additional revenue. The Municipality has already piloted the project in Lerajane and Tubatse A Ext 2 and the community has welcomed the project.

The municipality's target to start charging the flat rate is 2024/2025 financial year. This initiative will also have a positive result in terms on environmental factors.

The additional potential revenue will be revenue that will be generated from advertising. Four of the gantries that above 18sqm are on Sanral road reserve and the municipality is not generating any revenue. The Municipality will have negotiations with Sanral to at least be allocated a certain percentage for revenue generation.

Even if the gantries are on the Sanral road reserve, those gantries are within the municipality's jurisdiction.

8.2.10 Sale of the stands and land tenure upgrading

In order for municipality to increase revenue substantial development planning must be capacitated on this strategy to focus on the upgrading on land tenure in the municipality, the necessary budget will have to provide because this can be a game changer. The Director will have to provide quarterly update about the projects as part of revenue enhancement from his department.

The municipality has identified land parcels in extension 54 and 93 Burgersfort which will generate an additional revenue of R 93 050 000.00.The sale of stands commenced on the 1 March 2023 and the municipality has generated additional revenue of R 6 701 652.42 as at 31 March 2023.The stands are sold at market related value and to ensure future revenue generation, the stands must be developed within eighteen months from the date at which is registered in the purchaser's name(this clause is included in the lease agreement).

8.2.11 Political Oversight

It is the responsibility of the Mayor, EXCO and portfolio to play oversight on this strategy in order for the municipality to achieve high level of revenue collections.

8.2.12 Administrative Accountability

The accounting officer must ensure that the municipality is implementing this strategy without any failure in order for the municipality to meets its conditional mandate.

8.2.13 Delegation

The day-to-day execution of revenue management including this strategy is delegated to the Chief Financial Officer in terms of the section 81 of the MFMA and he must assist the affected directors with the coordination of the revenue programmes.

9. SDPIB

The CFO will report on an on-going basis on the implementation of this strategy to EXCO, Portfolio Committee and Council as part of the SDIPB and the relevant programmes and strategies will form part of his performance agreement.