LEPELLE-NKUMPI LOCAL MUNICIPALITY

Revenue Enhancement Strategy

2026-2027

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Glossary

Item	Full name	Abbreviation
1	Budget and Treasury Office	BTO
2	Capricorn District Municipality	CDM
3	Chief Financial Officer	CFO
4	Department of Cooperative Governance and Traditional Affairs	COGTA
5	Department of Energy	DOE
6	Further Education and Training	FET
7	Human Resource Manager	HRM
8	Integrated Development Plan	IDP
9	Lepelle-Nkumpi Municipality	LNM
10	Management Information	MI
11	Municipal Property Rates Act	MPRA
12	Municipal Manager	MM
13	Municipal Standard Chart of Accounts	mSCOA
14	National Energy Regulator of South Africa	NERSA
15	Operation and Maintenance	O&M
16	Operation Effectiveness	OE
17	Rand	R
18	Revenue Manager	RM
19	Service Delivery and Budget Implementation Plan	SDBIP
20	Service Level Agreement	SLA
21	Surveyor General	SG
22	Target Operating Model	TOM
23	Thousand	k
24	Value Added Tax	VAT
25	Water Service Authority	WSA
26	Water Service Provider	WSP
27	Water Treatment Works	WTW
28	Waste Water Treatment Works	WWTW

Table 1: Glossary

Executive Summary

The Lepelle-Nkumpi Municipality (LNM) is a local Municipality located in the Limpopo province. The key challenges faced by the LNM are both financial and operational. The lack of revenue management capacity and expertise restricts the ability of LNM to collect and/or sufficiently manage revenue. The current revenue generated by the Municipality is insufficient to cover the full cost of operations, and rarely provides scope for new services, service quality enhancements and/or expansion of service provision.

This document outlines the Lepelle-Nkumpi Municipality Revenue Enhancement Strategy in detail. It provides some of the key strategies to be implemented to support the municipality in improving its performance, based on the challenges identified in the Diagnostic Report. The intended outcomes from this strategy development exercise are that the municipality will realise its performance objectives, meet its financial obligations as well as provide sustainable services through a concerted effort of implementing the defined strategic interventions identified as part of this plan (Revenue Enhancement Strategy). Thus the ultimate goal of this strategic plan is to facilitate the process of stabilisation and improving the financial position of Lepelle-Nkumpi Local Municipality.

The objective of this document therefore is to provide a clear roadmap into the municipality's financial recovery. In particular, the document will define ways and means by which the municipality will ensure consistence in the completeness of its revenue, reduce leakages in the revenue management operations, as well as investigate possible sources of new revenue that will improve its revenue base.

In addition to the above, the current state of the revenue management organisation has been analysed with the view to turn it around into effective organisational machinery that helps the municipality deliver an effective revenue operation. The desired outcome from these initiatives is stable financial position for the municipality, and therefore an improved service delivery position.

In line with the diagnostic analysis undertaken and key challenges identified, the Revenue Enhancement Strategy has been developed in accordance with identified/desired strategic focus areas, and these include:

- Focus area #1 – Completeness of revenue.
- Focus area #2 – Elimination of revenue leakages.
- Focus area #3 – Alternative/additional revenue sources.
- Focus area #4 – Data management.
- Focus area # 5 – Organisational enablers.

The table below illustrates strategic interventions that have been identified:

Strategic Focus Area # 1: Completeness of Revenue	
1. Billing	Reconciliation of valuation roll and billing
2. Credit Control	Update credit control SLA with CDM
	Enforce Credit Control
3. Debt Management	Effective debt collection and credit control measures
4. Budget Control	Budget revision
Strategic Focus Area #2: Elimination of Revenue Leakages	
5. Matching of Surveyor General report, Valuation and Deeds data	Source deeds information for properties in SG spatial data but not in valuation roll to identify registered properties that need to be valued and billed
	Conduct valuations on registered properties
	Billing of valuated properties and tariff application
	Resurveying of land
	Address misalignment between land use and zoning
6. Waste tariff implementation	Roll-out cost reflective tariffs for waste in accordance with the revised tariff structure
7. Waste tariff policy	Adopt and roll-out of the Tariff policy
8. Contract Management	Improve Contract Management
	Improve Contract Management
9. Water and Sanitation services	Take-over operation and maintenance of Water Treatment Works and Waste Water Treatment Works
	Commission on water services provision
	Assume WSA role
	Improve coverage for water services
	Roll-out Pre-paid water meters
10. Electricity Services	Provision of electricity services
	Improve Electricity reticulation coverage
11. Building plans and inspections	Alignment of building plans, inspections and billing
12. Unutilised assets	Leasing and disposal of assets
13. Consumption patterns	Monitoring of consumption patterns and payment of services
Strategic Focus Area #3: Alternative/Additional Revenue Streams	
14. Sundry items	Improve Revenue collection for Traffic Fines
	Enforcement of By-laws
	Identify critical space for advertisements
15. Billing data	Review billing data
	Review and correct the invoicing system
16. Waste Management (Basic Tariff)	Implementation of the basic tariff for rural households waste collection
17. Informal Trading	Introduce permits for informal traders
18. Vehicle licensing	Licensing fees revenue split
19. Municipal By-laws	Review of By-Laws
	Enforcement of By laws
20. Economic Development opportunities	Implement LED strategy
Strategic Focus Area #5: Data Management	
21. Data validation	Data cleansing

	Customer data verification
22. Data enrichment	Source useful external data e.g. Bureau data, survey general (SG)
Strategic Focus Area #5: Organisational Enablers	
23. Strategy	Roll-out Revenue Enhancement Strategic plan
	Staff retention and Succession planning
24. Organisational Structure	Review operating model & organisational structure
	Review PMO/PMU capacity
25. Staff and skills	MFMA & Supply Chain Management Training
	Customer Education
	Operational effectiveness
26. Relationship management	Client Relationship Management
27. Systems & Policies	Review Property Rates Policy
	Credit Control, Debt Collection and Customer Care Policy
	Update Tariff Policy
	Review Indigent Management
	Policy Revision - Bad debts Policy
	Review Indigent Management Policy
28. Systems & Processes	Process mapping and alignment
	Work studies
29. Systems: IT applications	Systems analysis
30. Community and Stakeholder Engagement	Change Management
	Community satisfaction
	Stakeholder engagement

Table 2: Strategic interventions and initiatives

The implementation of the documented Revenue Enhancement Strategy will improve the financial position of the Municipality. This will also lead to improvement in the provision of services as well as the capacity of the municipality in managing available budget. Moreover, this will also establish basis for sound and sustainable management of the fiscal and financial affairs of the Municipality. The initiatives laid out in this strategic plan can only provide the required improvement if specific efforts are put in place to monitor the implementation, and consequent benefits tracked in line with the targets set-out in the Strategic Plan. Measures to monitor and track the progress of implementing the initiatives are detailed in this document. Ongoing monitoring and review in regards implementation of this strategy needs to be entrenched along with the current management / governance forums of the municipality to ensure benefits realisation.

The interventions are not stand-alone initiatives, but seek to complement set performance targets and give effect to the achievement of annual performance targets, including the Service Delivery and Budget Implementation Plan (SDBIP). The commitment of the identified/ necessary financial resources, the on-boarding of appropriately skilled personnel, the implementation of supporting processes and information systems is key to ensuring all the identified strategic initiatives are implemented to effect improvement in the provision of services by the Municipality.

1. Purpose of the Revenue Management Strategy

The Revenue Management Strategy is aimed at addressing the root cause of challenges identified in the assessment phase through developing appropriate interventions. The challenges faced by the Municipality as highlighted through the diagnostic assessment (Diagnostic Report) impact directly on the revenue generation capability of the municipality; ultimately, these have direct impact on service delivery. Given this, an in-depth diagnostic assessment was undertaken to ascertain the extent of issues the municipality faces, with the key objective of developing a holistic Revenue Enhancement Strategy together with the associated implementation action plans. The strategy was developed based on the analysis undertaken to ascertain financial/revenue management related challenges impacting on the performance and service delivery imperatives of the municipality.

The development of recommendations in the diagnostic/assessment phase has informed the need to further develop a Revenue Enhancement Strategy. This document therefore outlines a detailed improvement action plan in relation to stabilising and improving the revenue generation capacity of the municipality. It identifies specific initiatives to be implemented to support the municipality in becoming financially sustainable. These interventions will be prioritised in the form of improvement action plan, and appropriate resources identified to support the completion thereof. The strategy will provide means for the municipality to meet its financial obligations as well as improve the provision of services to the community

2. Background

2.1 Introduction

The Lepelle-Nkumpi Local Municipality (LNM), covering an area of 3,464.00 hectares located in the Capricorn District Municipality of Limpopo – the seat of the municipality is in Lebowakgomo. The LNLM covers 16% of the District total land area and the municipality is divided into 30 wards with 94 settlements.

The municipality provides municipal services to sixty-one thousand three hundred five (61 305) households with a population of two hundred thirty-three thousand nine hundred twenty-five people. The municipality is predominantly rural with 95% of the land falling under the jurisdiction of Traditional Authorities. The predominant language in the area is Sepedi that is spoken by 90% of the total population, followed by IsiNdebele and Xitsonga spoken by 3% and 3% respectively.

In 2003, the following district municipal powers and functions were transferred to LNM:

- Solid waste disposal
- Municipal roads
- Cemeteries and crematoria
- Promotion of tourism
- Municipal public works

Over the years, literacy rates have increased may, to an extent; have contributed to the increased employment rates in the region. The skills base for municipality is derived from local FET College, Nursing College, on-the-job training in the mines and those who go out to acquire qualifications outside the municipality, especially within the District and in Gauteng Province.

The highest employment sectors in LNM are; government, community and retail sectors which together make up 65% of employment.

The municipality's top risks/challenges are:

- Access to basic services
- An unsustainably high unemployment rate
- Poverty which results in strain on the social grant system, where more than two-thirds of households require government grants to survive
- Scourge of HIV/AIDS, TB and other curable diseases

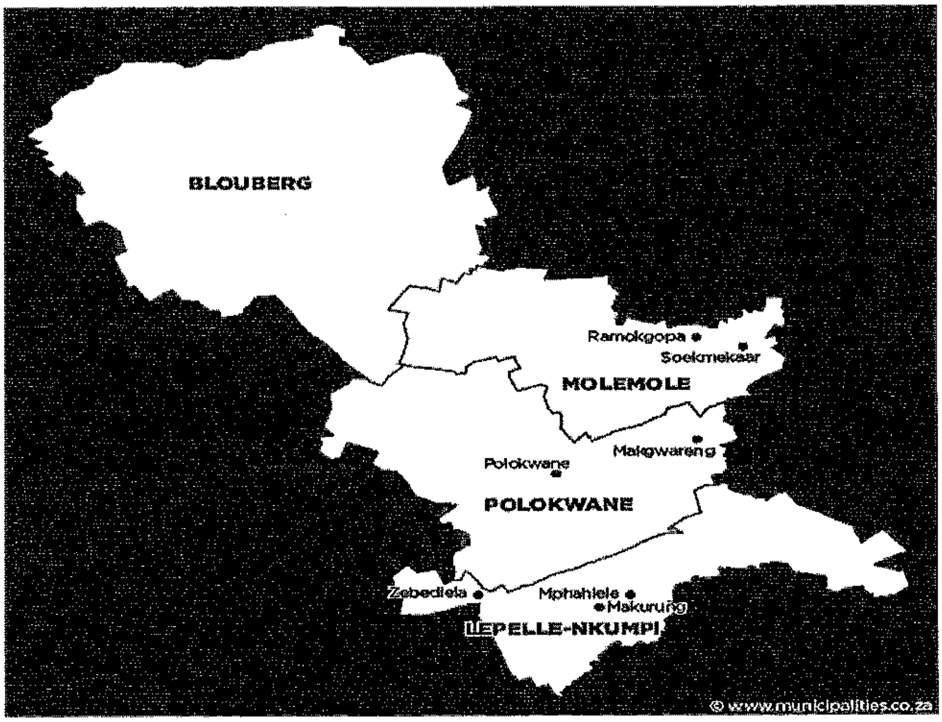

Figure 1: Map of Lepelle-Nkumpi Local Municipality

2.2 Project Background

The scope of the project included detailed information gathering and a diagnostic (As-is and gap analysis) review. These activities have culminated into this report, the future state strategy, this report is also known as the To-be report.

The approach followed in the development of the Revenue Enhancement Strategy is outlined below:

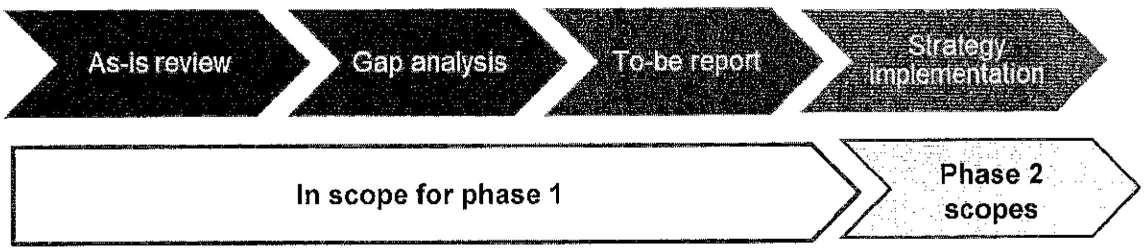

Figure 2: High-level Project Approach

The To-be report concludes Phase 1 (as illustrated above) by providing recommendations in enhancing the municipal revenue and the specific requirements for implementation (Phase 2). These recommendations are provided across the following components, namely the:

- Completeness of Revenue

- Elimination of Leakages
- Increase in Revenue Coverage
- Data Management
- Organisational enablers

2.3 Project Objective

The key objective of this undertaking was to identify the gaps and weaknesses in the Municipality's financial recovery and develop a clear roadmap to both close the gaps and increase the revenue base of the Municipality. The To-be report defines the ways and means by which the Municipality can ensure it reaches its strategic objectives across the four components.

2.4. Strategic Objectives

The strategic objectives are:

1. To provide sustainable basic service and infrastructure development
2. To enhance financial viability and management
3. To plan and manage spatial development within the Municipality
4. To increase the capability of the Municipality to deliver on its mandate
5. Promote good governance and active citizenry
6. Promote shared economic growth and job creation
7. To protect biodiversity and cultural heritage, enforce environmental compliance and mitigate the impact of climate change

3. Legislative and Strategic Framework

The legislative context establishes a basis for the development of the Revenue Enhancement Strategy for the municipality. The appropriate pieces of legislation to be considered will cover the following:

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- Local Government: The Municipal Structures Act, No. 117 of 1998;
- The Municipal Systems Act, No. 32 of 2000;
- The Municipal Finance Management (MFMA), Act No. 56 of 2003;

3.1 The Constitution of South Africa

The provision of services is a function of local government, as stipulated in the Constitution of the Republic of South Africa, Act 108 of 1996. Local government is an independent sphere of government. National and Provincial government are responsible for supporting local government in the spirit of cooperative governance. Thus, the Constitution of the Republic of South Africa places authority on local government to provide basic services. In accordance with the Constitution of the Republic of South Africa, one (1) of the primary objectives of the local government is to ensure the provision of services to communities in a manner that is sustainable.

Section 26 of the Bill of Rights states that, everyone has the right to have access to sufficient food and water, and the State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights. National government is responsible for the development of policies and guidelines for the provision of services at local government level. Municipalities must develop by-laws to regulate the provision of these services to their communities.

3.2 Local Government: Municipal Structures Act

The Municipal Structures Act, No. 117 of 1998, sets the basis upon which different categories of municipalities can be established, including Metropolitan municipalities, District municipalities and Local municipalities. It also outlines the process of establishing municipalities as well as dealing with the establishment of councils, how these function, as well as the associated committees.

The Act empowers District municipalities (e.g. Capricorn District Municipality) with authority and associated functions that are necessary to perform the function of Water Services Authority. The Act also gives powers to the Minister of Cooperative Governance and Traditional Affairs to authorise a Local municipality to be a Water Services Authority.

3.3. Local Government: Municipal Systems Act

The Local Government: Municipal Systems Act, No. 32 of 2000, only focuses on internal municipal systems as well as aspects of administration of a municipality. It caters for public accountability and the involvement of community in regards to formulation of policy as well as decision making. In this context, it is anticipated that LNM has in place various means and forums to address the requirement of public participation, and ensure issues around service delivery are addressed.

The Act also provides guidelines for the enactment of bylaws which are necessary to regulate provision of services. The establishment of both the IDP and Municipal Performance Management System is also addressed by the Act, together with the delivery of municipal services. The Municipal Systems Act clearly differentiates the function of a Water Services Authority, as well as that of a Water Services Provider. In regards with water services provision (LNM is a Water Service Provider); the Act obliges the municipality to consider internal mechanism (through an internal function, a department, or a business unit) before considering external mechanism for the provision of water services.

3.4 Municipal Financial Management Act (MFMA)

MFMA, No. 56 of 2003, has been enacted to ensure sound and sustainable management of the fiscal and financial affairs of municipalities. Poor financial management results in the misappropriation of resources and increases the risk of corruption. In order to pre-empt this, MFMA sets out to modernise all aspects/components of municipal financial management. MFMA also enforces good governance practices across the political and the administrative spheres of municipal governance. To this effect, MFMA advocates adoption of a comprehensive system to separate the roles and responsibilities of mayors, councillors and municipal officials.

With regards to provision of water services (including sanitation services) and electricity services, the Act provides mechanisms for municipalities to ensure affordable service delivery, as well as regulating financial performance. This provides a platform upon which free basic water and free basic electricity can be provided in a manner that ensures sustainable service delivery.

A sizeable population within the LNMs fall under the indigent category (indigent households are entitled to receive water/electricity, free of charge, including 6 kl of water per month as an example). This negatively impacts the ability of the municipality to collect revenue. MFMA complements the Municipal Systems Act, which regulates credit control and debt collection.

3.5 Alignment of Revenue Strategy with LNM Strategy Formulation

In developing a Revenue Enhancement Strategy for the municipality, consideration is given to the existing strategic framework, which is primarily reflected in the Integrated Development Plan (IDP). Key consideration is therefore given to the municipality's current strategic initiatives, together with some of the strategic imperatives identified in existing documents.

This Strategy is not meant to supersede or replace any of the existing documentation that has been produced as mandated through legislation, or through an identified need. The Revenue Enhancement Strategy will complement any documents/strategies, which constitute part of the municipality's strategic framework.

3.6 Requirement for a Revenue Enhancement Strategy

The Revenue Enhancement Strategy is essentially a turnaround plan with the aim of improving the Municipality's performance. One of the important outcomes of this Strategy is to rebuild the Municipality as the primary delivery machine of the developmental state at a local level, as well as to rebuild and improve the basic requirements for a functional, responsive, accountable, effective, and efficient developmental Municipality, and in the process restore the confidence of the majority of the community within the Municipality.

The Revenue Enhancement Strategy therefore seeks to address the issues highlighted in the As-Is and Gap Analysis Review, which highlighted challenges across the Revenue Management value chain.

At a high level, the approach followed in developing the Revenue Enhancement Strategy is outlined below:

- Detailed analysis of LNMs Revenue Management operations, with a view to establish current performance trends and/or benchmarks and documenting the challenges
- Documenting of the As-Is report together with a Gap Analysis to determine areas requiring improvement
- Development/identification of strategic interventions for the municipality developed in response to challenges incorporating existing initiatives to improve performance

- Development of Turnaround/ Revenue Enhancement Action Plan to give effect to identified strategies

The outcome of the municipality planning sessions should therefore be incorporated as part of the appropriate strategic interventions to be included in the IDP, which will be reviewed and updated in accordance with the planning cycle. Of utmost importance is the need to align the Service Delivery and Budget Implementation Plan (SDBIP) with the identified strategic initiatives as these incorporate specific KPIs aligned to municipality's strategic focus areas.

This document provides a selection of key strategies to be considered in securing the Municipality's ability to meet its financial commitments and obligations to provide sustainable basic services. Ultimately, this Revenue Enhancement Strategy will form the basis for the stabilisation and turnaround of the municipality, through the implementation of the recommended Action Plan.

3.7 Strategic Focus Areas for LNM and Outcomes

In line with the analysis undertaken, together with identified focus areas to enhance management of revenue, various strategies have been formulated, and grouped into strategic focus areas; these have been clustered in the following manner:

- Focus area #1 – Completeness of Revenue
- Focus area #2 – Elimination of Revenue Leakages
- Focus area #3 – Alternative Revenue Sources
- Focus area #4 – Data Management
- Focus area #5 – Organisational Enablers (including policies, strategy, processes, people and supporting IT systems)

It is anticipated the development and implementation of the Revenue Enhancement strategy will ultimately lead to enhanced revenue base for the municipality.

The primary objective of this Revenue Enhancement Strategy is to provide a clear roadmap into the Municipality's financial recovery, through a Revenue Management Strategic Plan. In particular, the strategy will outline initiatives through which the municipality will ensure consistence in the completeness of its revenue, reduce leakages in the revenue management operations, as well as define additional sources of new revenue that will improve the municipality's revenue base. In addition, the Strategy will outline key initiatives that will improve the revenue management organisation with the view to turn it around into effective organisational machinery that helps the municipality deliver an effective revenue operation.

The desired outcome from these initiatives is stable financial position for the municipality, and therefore an improved service delivery position.

This will only be realised through developing, implementing and monitoring the recommended interventions for effectiveness and efficiency in improving the municipality's performance. Detailed initiatives and implementation plans have been developed for each of the strategic focus area.

4. Revenue Enhancement Strategies & Implementation Plans

This section will detail the future state of the municipality through our three-pronged methodology. This document contains the recommendations that follow from the gap-analysis that was conducted. It will highlight how best the municipality can make use of these opportunities across all the components of the revenue management value chain.

4.1 Completeness of revenue

The review of Completeness of Revenue, together with the identified gaps and recommended strategic interventions are detailed below.

Focus Area	Identified Gaps	Strategic Intervention
Billing	Billing inconsistency	Reconciliation of valuation roll and billing
Debt Management	Low collection rates	Effective debt collection and credit control measures
Credit Control	Lack of effective credit control	• Update credit control SLA with Capricorn • Update Credit Control Policy • Enforce Credit Control

Table 3: Completeness of revenue - Gaps and strategic interventions

The strategic interventions are elaborated on below.

4.1.1 Billing

- Reconciliation between the total billed properties with total properties on the valuation roll should be done and investigate properties that should be on the billing but are not. Include the properties that are missing in the billing going forward.
- Total billed properties and amounts versus total properties in the valuation roll should be tracked monthly in Management Information (MI) pack. This allows inconsistencies in the number of billed properties to be picked up quickly and thus addressed
- Introduce a platform where customers will be able to submit their meter reading if the meter readers were unable to read the meter and to avoid estimations and thus more consistent billing

4.1.2 Debt Management

- Trace debtors in arrears using credit bureau data to update contact details
- Address billing queries/disputes timeously
- Create targeted collection strategies e.g.

- SMS reminders for customers who are current or have payment plans in place with the municipalities
- Call centre collections for low to medium debt
- Door to Door campaign for businesses with high debt
- Offer discounts to residential debtors with high debt
- Institute a legal process to deal with defaulters

4.1.3 Credit control

- Improve controls and guidelines with regards to credit control policy and SLA with CDM
- Identify debtors that need to be subjected to credit control and enforce it according to the credit policy
- Enforce credit control; for example, restrict water supply

4.1.4 Implementation Plan: Completeness of Revenue

The table below illustrates the key strategic interventions to improve completeness of revenue for municipality.

	Strategic interventions	Initiative	Responsible	Outcomes	KPI
Billing	Reconciliation of valuation roll and billing	Reconciliation between the total billed properties with total properties on the valuation roll should be done. Properties not included in billing should be added to the billing unless there is a documented valid reason why they should not.	BTO	Increased number of billed properties	Consistent number of billed properties
		Monthly monitoring of the total properties in the valuation roll vs. billing	BTO	Increased number of billed properties	Consistent number of billed properties
		Total billed amount over time should also be tracked monthly on the MI packs. Investigate when there is no consistency	BTO	Identifying revenue leakages timeously	Consistent billed amount
Credit Control	Update credit control SLA with CDM	Negotiation with CDM about the credit control SLA	BTO	Improved revenue collection rates	Updated and approved credit control SLA with CDM
	Enforce Credit Control	Identify debtors that need to be subjected to credit control and enforce it according to the agreed policy	BTO/Credit Control Manager	Improved credit control function	Improved collection rate
		Clean up the ageing data to ensure accurate information e.g. accurate ID numbers	BTO/Credit Control Manager	Improved decision making and therefore collection rates	Clean and accurate ageing file

	Strategic interventions	Initiative	Responsible	Outcomes	KPI
Debt Management	Effective debt collection and credit control measures	Trace debtors in arrears using credit bureau data to update contact details	BTO/Credit control Manager	High right party contact rate from call centre activities and therefore improved collection rates	Updated contact details
		Attend to /address billing queries/disputes timeously	BTO/ Billing Department	Improved collection rates due to less disputes	Correct billing
		Analysis of debtors book and create targeted collection strategies	BTO	Improved collection rates	Increased collection rates
Budget Control	Budget revision	Review budget v/s actual trends to identify pattern of deficiencies	BTO	Budget revision strategy and intervention plan	Actual v/s budget at less than 10% variance
		Identify appropriate cost cutting measures and effect in the adjustment budget	BTO	Revised costs	Costs matched to income – zero deficit
		Compile the operational adjustment budget in line with reviewed revenue and expenditure trends	BTO	Updated budget	Actual vs revised budget for 2019
		Compile capital adjustment budget	BTO	Updated capital budget	Grant utilisation at 100%

Table 4: Implementation plan - Completeness of revenue

4.2 Revenue Leakages

The review of Revenue Leakages, together with the identified gaps and recommended strategic interventions are detailed below.

Strategic Focus Area	Identified Gaps	Strategic intervention
Matching of SG report, Deeds data and Valuation roll	• Misalignment in the number of properties between SG spatial data and valuation roll • Land invasions and houses not built according to general plan • Misalignment between land use and zoning	• Source deeds information for properties in SG spatial data but not in valuation roll to identify registered properties that need to be valued and billed • Re-survey land not built according to general plan, value and register the properties and start billing • Audit consumption patterns of water to identify exceptions to be audited for possible zoning changes
Tariff Setting	• The waste tariffs are not cost reflective	• Implement cost reflective tariffs structure accommodative to consumers and the municipality
Waste Tariff Policy	• Waste tariff Policy remained unchanged	• Review and revise waste tariff policy
Rental Management	• No escalation clauses in the contracts • The rental amounts are not fixed	• Develop and maintain the contract register • Revise the escalation and duration terms of the contracts to be market related • Develop and implement a contract management system to monitor completeness and implementation of the agreements
Water and Sanitation	• LNM is a Water Service Provider, however, LNM only earns 30% commission on the revenue	• Take over the operation and maintenance of WTW's and

Strategic Focus Area	Identified Gaps	Strategic intervention
	collected from CDM, this is minimal considering the quantum of revenues from water services provision as well as a considerable small revenue base across LNM	WWTW's to justify better commission from CDM. • Improve current SLA between LNM and CDM to reflect effort associated with services provision. • Migrate to a WSA role over a long-term period • Improve coverage for Water and Sanitation services provision within LNM
Electricity	• LNM is currently paying for 50 kWh of electricity (part of free basic services) provided to Indigent Households without realising any revenues for Electricity services (LNM only reticulates electricity to consumers, whilst Eskom maintains the network and collects associated revenue)	• Take over electricity reticulation and service provision for the area under LNM jurisdiction • Develop and implement Energy Master Plan

Table 5: Revenue leakages - Gaps and strategic interventions

The strategies are further elaborated on below.

4.2.1 Matching of SG report, Deeds data and Valuation roll

- Source deeds data for the properties identified in the SG spatial data but are not in the valuation roll to identity registered properties that need to be valued and included in the billing
- Conduct valuations on registered properties
- Billing of valuated properties
- Continuously source spatial data to keep track of new developments that need to be added to the valuation roll and billed
- Periodic property re-evaluations
- Resurveying of land

- Audit consumption patterns of water and electricity to identify exceptions to be audited for possible zoning changes

4.2.2 Pricing/Tariffs

- Implement a cost reflective structure to accommodate the consumers and the municipality
- Implement a basic charge per month on all stand premises or other areas. This would be the fixed portion of the tariff
- The variable tariff will be the additional charges per category of debtors as already contained in the tariff
- The tariff should also take the type of bins that are being collected and a sliding scale should be designed based on the size of the related bins
- The Tariff Structure of the Municipality is revised every financial year

4.2.3 Waste Tariff Policy

- Review and implementation of the waste tariff policy to ensure proper tariff billing
- Design and implement measures that will ensure that the waste tariff income covers the cost of rendering the service

4.2.4 Contract Management

- Develop a contract register for all contracts and maintain the register
- Review and revise the escalation clauses and duration terms for all the contracts and ensure that they are market related
- Implement a contract management system that will manage completeness of and adherence to the contract agreements

4.2.5 Water and Sanitation

The required strategic interventions to enhance the revenue base for the municipality in relation to Water Services provision include the following:

- Take over the operation and maintenance of Water Treatment Works (WTWs) and Waste Water Treatment Works (WWTWs) to justify better commission from CDM
- Improve current SLA between LNM and CDM to accurately reflect effort associated with water services provision (includes operation, maintenance, meter reading, etc.)

- Migrate to a Water Service Authority (WSA) role over a long-term period through engaging with CDM, Lepelle Northern Water, COGTA to determine feasibility of this option
- Improve coverage for Water and Sanitation services provision within the municipality; this includes providing water and sanitation services to other areas, which are currently not being serviced

4.2.6 Electricity

The suggested strategic interventions in relation to the provision of electricity are:

- Assume ownership of electricity services provision for the area under the municipal jurisdiction including reticulation, maintenance and revenue collection
- Improve reticulation coverage over a period of time across the municipality through development (and execution) of Electricity Master Plan

4.2.7 Implementation Plan: Revenue Leakages

The table below provides an outline of key interventions to address revenue leakages.

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Matching of Surveyor General report, Valuation and Deeds data	Source deeds information for properties in SG spatial data but not in valuation roll to identify registered properties that need to be valued and billed	Source deeds data from the Deeds office/deeds data resellers	Planning and LED Department	Alignment between registered properties in valuation roll and SG	Identified registered property in SG but not in valuation roll
	Conduct valuations on registered properties	Undertake supplementary valuations roll on an ongoing basis	Planning and LED Department	Increased number of billed properties	Valued properties
	Billing of valuated properties and tariff application	Review all billing data and correctness of tariffs, ensure all the properties are part of the monthly billing	BTO	Increased number of billed properties	100% properties billed
	Resurveying of land	Identifying the areas where people did not build according to general plans	Development & Town Planning Manager	Correct billing and increased number of billed properties	All properties built according to survey plan
	Address misalignment between land use and zoning	Audit consumption patterns of water and electricity to identify exceptions to be audited for possible zoning changes Use aerial photographs to identify these properties Conduct field work to evaluate them accordingly	Development & Town Planning Manager	Correct billing of properties	Increase in the amount billed

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Tariff implementation	Roll-out cost reflective tariffs for waste in accordance with the reviewed tariff structure	Waste tariff implementation	Waste and environmental management services	Cost reflective tariffs across all property types	Reviewed and updated waste tariffs
Waste tariff Policy	Implementation of the Tariff policy	Waste tariff policy review	Waste and environmental management services	Recovery of cost of service rendered	Increased waste tariff
Contract Management	Improve Contract Management	Develop and maintain the contract register	Corporate Services: Legal services	Complete contract register	Increased rental revenue; and Improved contract management.
		Review the terms of all existing contracts	Corporate Services: Legal services	Revise and update escalation and duration terms of contracts	Market related rental income
		Develop and implement contract management system	Corporate Services: Information Technology	Complete contract register Complete revenue from rental billings	Improved contract management
Water and Sanitation services	Take-over operation and maintenance of Water Treatment Works and Waste Water Treatment Works	Undertake requirements analysis to assume O&M role for WTWs and WWTWs Determine associated technical requirements including staff, budget and legislative requirements	Engineering services for infrastructure development: Civil engineer	Improved revenues	Requirements analysis document – completed

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
	Commission on water services provision	Renegotiate commission /SLA based on increase in scope	Engineering services for infrastructure development: Civil engineer	Improved revenues	New SLA – signed
	Assume WSA role	Undertake Feasibility study to determine legal, technical and operational requirements (incl. WSA, powers and functions of local municipality etc.)	Engineering services for infrastructure development: Civil engineer	Improved revenue base	Feasibility Report
	Improve coverage for water services	Develop and implement Water & Sanitation master plan -- develop infrastructure roll-out plan	Engineering services for infrastructure development: Civil engineer	Improved revenue base	Water & Sanitation Master Plan
	Pre-paid water meters	Roll-out pre-paid meters	Engineering services for infrastructure development: Civil engineer	Reduction in non-payment for water services	Number of meters converted to pre-paid
Electricity Services	Provision of electricity services	Undertake feasibility study to determine means and options available for assuming ownership of network (engage all stakeholders including Eskom, NERSA, DOE etc.)	Engineering services for infrastructure development: Electrical engineer	Enhanced revenues for LNM from additional revenues	Completed Feasibility Report
	Improve Electricity reticulation coverage	Develop Electricity Master Plan to guide electricity infrastructure roll-out	Engineering services for infrastructure development: Electrical engineer	Enhanced revenues through better coverage	Energy Master Plan document
Building Plans & Inspections	Alignment of building plans, inspections and billing	Put measures to fast track building plans approval, inspections as well as passing information for billing purposes	Development & Town Planning Manager / BTO	Improved revenue collection	Improved turnaround time
Unutilised Assets	Leasing and disposal of assets	Review current asset portfolio and lease/dispose	BTO	Improved cash position	Reduced asset maintenance costs

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
		of non-core assets (e.g. petrol station)			
Consumption Patterns	Monitoring of consumption patterns and payment of services	Implement a GIS based solution/tool to monitor consumption patterns, payment of services and provide exceptions reporting. This system will link property data, deeds, consumption and billing data	BTO	Reduced revenue leakages	Improved collection rate

Table 6: Implementation plan - Revenue leakages

4.3 Alternative revenue streams

The review of alternate revenue sources, together with the identified gaps and recommended strategic interventions are detailed below.

Strategic Focus Area	Identified Gaps	Strategic intervention
VAT	No gaps identified	None
Sundry Items	Traffic fines not adequately completed	Training of Traffic Officers on the issuing of valid fines
	No escalation clauses in the rental contracts and amounts on contracts are not specific	Review and revise all existing contracts
	Inadequate enforcement of By-Laws e.g. no restrictions on arrear accounts, no penalties vote exists	Enforce all By - Laws to increase its revenue coverage
	By-laws: Low reconnection fee	Revise and align reconnection fee with credit control and debt collection by-laws
Ad Hoc Services	No proper and accurate allocation system for Bin services	Review management of billing data and ensure that customers are being invoiced for the correct bin service they receive
Billing System	Invoicing system at Lebowakgomo landfill is not functioning	Review the invoicing system and design and implement corrective measures
Basic Tariff	No Basic tariff charged for waste services for rural households	Implementation of the basic tariff as per the tariff policy

Table 7: Alternative revenue streams - Gaps and strategic intervention

The strategies are further elaborated on below.

4.3.1 VAT

- In reviewing the claiming patterns and efficacy of the Municipality, it was found that increasing the VAT refund revenue is not a real possibility owing to the efficiency of the Municipality
- The VAT analysis performed however indicates that on available information, the Municipality appears to be submitting VAT returns timeously and performing the monthly reconciliations to monitor the VAT Control Account

4.3.2 Traffic Fines

- Training of traffic officers on the issuing of valid fines.

4.3.3 Contract Management

- Review of all existing contracts to ensure the inclusion of an escalation clause and correct contract duration, maintenance of a contract register and design and implementation of a contract management system to monitor completeness and implementation of the agreements

4.3.4 Municipal By-Laws

- Revise and align reconnection fee with credit control and debt collection by-laws; and enforce all By-Laws to increase its revenue coverage
- Review/develop additional By-Laws in line with amendments to legislation, or those By-Laws that are currently not in place (e.g. littering)

4.3.5. Sundry Income

- Traffic Fines
    - Implement adequate traffic management processes and training of traffic officers on the issuing of valid fines
    - Perform an analysis of revenue for fines versus write-offs to identify causes of write-offs
    - Develop a strategy/plan to increase collections by training the collection department or Outsourcing the functions
- Enforcement of By-Laws
    - Revise and align reconnection fee with credit control and debt collection by-laws; and enforce all By-Laws to increase its revenue coverage

- Advertising
  - Identify critical space where more advertisements will be implemented to increase revenue coverage by collaboration with stakeholders to identity
  - Potential spaces to be utilised

4.3.6 Billing

- Review the management of billing data and ensure that customers are being invoiced for the correct bin service they receive.
- Review and correct invoicing system for dumping waste at the Lebowakgomo landfill site that is not functioning.

4.3.8 Basic Tariff

- Review and implementation of cost reflective tariff per household per month for rural household waste removal.

4.3.6 Implementation Plan: Alternative Revenue Streams

The table below illustrates key interventions to be implemented for LNM to realise additional revenues.

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Sundry Items	Improve Revenue collection for Traffic Fines	Perform a review of the existing traffic fine management system Perform an analysis of revenue for fines vs. write-offs Develop a strategy/plan to increase collections	Road traffic law enforcement & road safety promotion: Chief Traffic Officer	Strategy to improve revenue collection for Traffic Fines	Reduction of write-offs and increased traffic fine revenue
	Enforcement of By-laws	Penalties resulting in fines need to be adequately enforced with respect to the by-laws	Road traffic law enforcement & road safety promotion: Chief Traffic Officer	Adequately enforced By-laws	Improved enforcement of By-Laws
	Identify critical space for advertisements	Collaboration with stakeholders to identity potential spaces to be utilised	Town Planning Manager	Increased revenue	Increased revenue
Billing: Waste Services	Review billing data	Review the management of billing data for waste services	BTO/ CFO	Increased cost recovery	Increased revenue
	Review and correct the invoicing system	Review the invoicing system for dumping waste at the Lebowakgomo landfill site and implement measures to ensure that it is functioning appropriately	BTO	Increased revenue	Increased revenue
Waste Management (Basic Tariff)	Implementation of the basic tariff for rural households waste collection	Perform an analysis of rural household affordability and extend waste collection service to rural households (collection points). Charge basic tariff for waste services for rural households	Waste and environmental management services	Increased cost recovery	Increased revenue
Informal Trading	Informal traders	Register informal traders and issue temporary trading permits	Planning & LED Department	Increased revenue base	Increased revenue

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
	Trading permits	Issue permanent permits for informal traders	Planning & LED Department	Increased revenue base	Increased revenue
Vehicle Licensing	Vehicle Licenses Fees revenue split	Renegotiate revenue split with the Department of Transport (e.g. to 70:30 split, instead of 80:20)	Road traffic law enforcement & road safety promotion: Chief Traffic Officer	Increased Revenue base	Increased revenue
	Licensing fees	Extend operating hours for licensing services including weekends and public holidays	Road traffic law enforcement & road safety promotion: Chief Traffic Officer	Increased Revenue base	Increased revenue
Municipal By-Laws	Review of By-Laws	Review current By-Laws/ develop applicable By-laws to foster coherent and well governed ecosystem and alignment with legislation (amendments) across LNM incl. illegal dumping, informal trading, building without plans etc.	Corporate Services Department	Increased Revenue base	Increased revenue
	Enforcement of By laws	Establish By laws enforcement function and system to manage payment of fines (e.g. Informal trading, building without plans, illegal dumping etc.)	Corporate Services	Increased revenue base	Increased revenue
LED Opportunities	LED Strategic Plan (Projects)	Facilitate the roll-out of LED strategic plan, roll out and implement roll-out of identified LED projects as well as Tourism Plan	LED Manager	Improved economic development and increased revenue base (e.g.	Increased revenue

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
				from property rates)	

Table 8: Implementation plan - Alternative revenue streams

4.4 Data Management

The review of Data Management, together with the identified gaps and recommended strategic interventions are detailed below.

Strategic Focus Area	Identified Gaps	Strategic intervention
Data validation	Accuracy and completeness of data	Data cleansing
Data segmentation	Lack of data granularity	Review data extraction rules
Data enrichment	Lack of useful external data	Source useful external data

Table 9: Data management - Gaps and strategic interventions

The strategies are further elaborated on below.

4.4.1 Data Validation

The recommendations below are provided after the analysis of the Data Management practices of the Municipality as added value for the Revenue Management strategy

- Data validation by assessing the following aspects of data:
  - Completeness – Check for missing values and understand reasons for missing values
  - Uniqueness – Check for duplicates
  - Validity – Check if the data conforms to the format, type, range of its definition e.g. ID number has 13 characters
  - Consistency – Ensure consistency of data

4.4.2 Data Segmentation

Data extraction rules need to be reviewed to ensure extraction of granular data from the system for improved reporting and checks and balances.

4.4.3 Data Enrichment

Source external data like the credit bureau data. This data can be used to identify debtors, who are allocated as "indigent" where they do not qualify. This occurs through the checking of the individual's total instalment towards credit products at other stores or creditors.

Debtors who have adequate income and not are under financial strain can also be identified by reviewing the debtors with high instalments and are currently not in arrears on their credit providers' obligations. Such debtors can be prioritised for credit control measures, on the door-to-door campaign with a focus on the debtors with high debts. The Bureau data can also be used to get the latest contact details of debtors thus assisting in the process of updating the data, so we can easily contact debtors.

4.4.4 Implementation Plan: Data Management

Data Management related strategic interventions are outlined in the table below:

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Data validation	Data Cleansing	Conduct a Data Cleansing exercise using internal and external data, identify all important datasets (e.g. ageing file)	BTO	Improved decision making and collection rates	Clean and accurate datasets
	Customer data verification	Undertake field verification of customer details (e.g. physical address, ID, contact details etc.)	BTO	Updated customer records and ease of contactability	Updated customer data
Data enrichment	Source useful external data e.g. Bureau data, survey general (SG)	Identify and source relevant external data that can be used to improve decision making across the whole revenue chain (e.g. regular verification of indigent status)	BTO	Reduction in revenue leakages and improved collection rates	Stored external data in the municipality's systems.

Table 10: Implementation plan - Data Management

4.5 Organisational Enablers

The review of key Revenue Organisational Enablers (including policies, strategy, organisational structure, processes and systems), together with the identified gaps and recommended strategic interventions are detailed below.

Strategic Focus Area	Identified Gaps	Strategic intervention
Strategy	Lack of well-defined revenue management strategy as well as supporting strategic interventions	Develop a Revenue Enhancement strategy (this document)
Structure	No mapping of all functional layers i.e. meter reading	Design and align the revenue division operating model
Staff and skills	• No individual development plans • No scorecards for each individual	• Operational effectiveness support • Conduct a skills audit • Develop scorecard for each Revenue Divisional role cascading from the CFO
Systems: Policies	Property rates policy: The policy reflects shortcomings in relation to applicability to the municipal environment	Review property rates policy and incorporate salient points
	Credit control policy: No reflection on customer care	Revise credit control and debt control and customer care in line with relevant legislation
	Tariff policy: No relationship with tariff structure could be ascertained	Alignment of Tariff policy and tariff structure with Municipal Property Rates Act (MPRA).
	Indigent policy: The policy is silent on key areas such as registration process coupled	Redrafting of Indigent Policy and align with regulations

Strategic Focus Area	Identified Gaps	Strategic intervention
	with lack of alignment to National regulations	
	Bad debts policy: The policy does not cover the procedures for bad debt write offs and recovery of irrecoverable debts.	Alignment of Bad debts and write-off policy to reflect objective of recoverability of debt.
Systems: Processes	Current procedure manual high level and not mapped according to best practice	Map process maps for revenue division
Systems: IT applications	• Current inputs into applications are manual and prone to human error • Under capacitation to verify inputs • Venus system is partially compliant with mSCOA requirements	• Automate IT application inputs • Implement IT system that is fully mSCOA compliant
Stakeholder Management & Customer Engagement	Lack of measures to engage key stakeholders and the community	• Change management (to ensure successful implementation of any new initiatives) • Community and stakeholders engagement measures

Table 11: Organisational Enablers - Gaps and strategic interventions

The strategies are further elaborated on below.

4.5.1 Strategy

- Implement long-term revenue management strategy with clear targets with supporting implementation plan.
- Develop and implement staff retention strategy and succession plans for critical posts.

4.5.2 Structure

- Design and re-align the operating model of the Revenue Division, which will ultimately increase the productivity ratio by bridging the newly developed strategic growth path and the daily operations within the Division.
- Map the organizational structure levels five to seven, which will enable improved capacity planning for the Revenue Team. This will include head count and indicate the level of expertise of meter readers, inspectors and senior inspectors who report to the Revenue Department.

4.5.3 Staff and skills

- Benchmark roles/job descriptions to determine salary requirements for each role
- Conduct a skills audit to determine whether the current staff compliment have the necessary qualifications and experience to fulfill their roles at the municipality
- Develop scorecards which cascade from the Municipality strategic goals
- Develop training and development plan for each Revenue employee to set them up to achieve strategic goals (where there were gaps identified in the development of job descriptions) and ensure appropriate skills sit within the Revenue Division

4.5.4 Policies, Systems and Processes

4.5.4.1. Policies

- **Property Rates Policy**

The policy will be reviewed in line with Municipal Property Rates Act where the highlighted gaps will be factored in to reflect the necessary level of functionality during implementation. Furthermore, the policy needs to be aligned to other related policies within Budget and Treasury Office to eliminate any uncertainties. The policy will be refined to be able to inform property rates for different categories of properties and owners; this will eliminate any form of one size fits all approach. The rebates for different categories of property owners will be revised and recalculated to benefit consumers and the municipality. The policy will be strengthened and tightened around tariff structure elements and enhance revenue through properly rezoning process.

- **Credit Control, Debt Collection and Customer Care policy**

The credit control, debt collection and Customer Care policy was reviewed in accordance with framework requirements as well as benchmarked with relevant municipalities of the same size in South Africa. Findings were extracted, and recommendations packaged as reflected in the summary table for incorporation and effective implementation thereon. The Policy must be aligned in terms of Section 96 of the Municipal Systems Act, 2000 (Act 32 of 2000) and Lepelle-Nkumpi Local Municipality: Credit Control Bylaw. Furthermore, Consumers must be profiled to ensure that high risk consumers are monitored and securities (deposit) updated on a regular basis.

- **Tariff Policy**

The Tariff Policy will be revised to accommodate the needs of the indigent households in line with national government policy, taking into consideration, the affordability constraints of the Municipality.

The policy will also be strengthened accordingly to provide greater harmonization and effective control and accountability for the setting of tariffs within the Municipality in line with National Treasury's Methodology Costing for Local Government.

- **Indigent Policy**

The Indigent Policy will be developed in line with national government regulations and guidelines, to assist the poorest households in the community to receive a basket of basic municipal services either free or rebated, to thereby make basic municipal services available to all. Furthermore, the policy needs to be aligned to indigent register for effective calculation of the indigent benefits.

- **Bad Debts and Write-off Policy**

Refine and redraft the policy to ensure household consumers with no or lower income are not denied reasonable services and that the municipality is not financially burdened with non-payment of services. The policy will be strengthened through incorporation of identified salient points to align bad debt provision to write off process and reflect recoverability of debt.

4.5.4.2. Business Processes

- Map business processes up to level two for each activity within the division including where there are interdependencies with other Divisions
- Undertake work studies to determine capacity constraints across the Revenue Management value chain.

4.5.4.2. Information Technology

- Identify technology opportunities to automate processes, which will reduce human error and speed up processing across the Revenue value chain. This will assist with the current capacity constraints of the Division.

4.5.5 Implementation Plan: Revenue Organisational Enablers

The table below outlines the key strategic interventions to support/enable the developed Revenue Enhancement Strategy.

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Strategy	Revenue enhancement strategy	Implement the Revenue Enhancement strategy	BTO/CFO	Enhanced and intentional plan for the revenue division with a prioritised set of interventions to improve the financial position of LNM	Strategy document for the LNM Revenue Division
	Staff retention Strategy and Succession Planning	Develop staff retention and succession strategies	HRM	Reduced staff turnover and higher levels of motivation	Retention & Succession Plans documented and approved
Organisational Structure	Review operating model & organisational structure	Review the Revenue Division operating model, organisational structure, map all layers and roles related to the Revenue Division with designated roles and responsibility per functional area across the value chain	BTO/CFO	Enhanced management control and capacity planning of staff, optimised business and technology processes	Designed and aligned Target Operating Model
	Review PMO/PMU capacity	Review capacity of PMO/PMU to support delivery of projects (infrastructure or LED projects)	Engineering services for infrastructure development	Improved service delivery as well as delivery of projects within time and budget constraints (e.g. MIG)	Filled vacancies within PMO/PMU function

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Staff and skills	MFMA & Supply Chain Management Training	Introduce MFMA & SCM training to eliminate unauthorised, irregular and wasteful expenditure	SCM/HRM	Elimination of unauthorised, irregular and wasteful expenditure	Training delivered to all affected on an annual basis
	Customer Education	Customer education to address culture of non- payment and foster buy-in from all stakeholders	BTO/HRM	Community buy-in and improved payment by customers	Improved collection rate
	Operational effectiveness	Develop job descriptions for roles within the Revenue Division	BTO/HRM	Job descriptions which are aligned to the strategic requirements for each role within the Revenue Division	Aligned job descriptions
		Develop Division and individual performance contracts (scorecards) aligned to the annual strategic goals of the Revenue Division	BTO/HRM	Cascaded Revenue Division strategy with allocated roles, responsibilities and KPIs	Balanced scorecard and individual scorecards
		Conduct Skills Audit and develop training and development plan	BTO/HRM	Learning and development (L&D) plan for revenue Division staff to ensure each staff member performance aligns with strategic goals	L&D plan
		Undertake job evaluations and job grading process for all positions	HRM	Job grading for all positions completed	100% completed Job Evaluations

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
		Salary benchmark against roles	BTO/HRM	Market related salaries	Salary benchmarks
Relationship Management	Client Relationship Management (Customer Care)	Establish a Hotline/Call Centre to address customer queries and log service delivery related customer issues	Corporate Services: Information Technology	Improved service levels, payment levels and community satisfaction	Tracking tool for account queries and service delivery related issues implemented
Systems & Policies	Property Rates	Differentiation of different categories of properties and categories of owners	BTO/RM	Effective policy for correct calculation of property rates	Approved policy by council
	Credit Control, Debt Collection and Customer Care Policy	Benchmark with a similar municipality and revise according to findings	BTO/RM	Alignment with legislation, better controls and guidelines in regards credit control	Approved policy by council
	Tariff Policy	Re-alignment with municipal tariff structure	BTO/RM	Development of reflective tariff structure	Revised and approved policy

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
	Indigent Management	Review Indigent Management Policy and introduce Indigent Management System (continuously review indigent register)	BTO/RM	Alignment of policy and indigent register	Revised and approved policy
		Establish indigent ward committees supported by Councillors and Officials	BTO/LNM Council	Active ward committees with clear guidelines	Documented and active committees
	Policy Revision - Bad debts Policy	Include procedures for bad debt write offs and recovery of irrecoverable debts Alignment with Debt impairment provision	BTO/RM	Alignment of bad debts policy and write off policy in line with regulations	Revised and approved policy
	Indigent register vs. Census	Extrapolation of census of 2011 and perform alignment process. Extract related figures from Stats SA and perform a comparative analysis	BTO/RM	Reconciled indigent register with Census 2011	Approved indigent register by council

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Systems & Processes	Process mapping and alignment	Map level 1 and 2 business processes in line with revenue value chain components (Metering, billing, debt collection and credit control) Align mapped processes to CDM SLA	BTO/RM	Mapped business processes will strengthen implementation of daily activities ensuring clear delineation by function and clear roles and responsibilities. The benefits are that it will make it easier to identify implementation weaknesses, improve efficiencies (lower costs) and effectiveness.	Mapped Revenue Division business processes across the revenue value chain
Systems & Processes	Work studies	Undertake work studies to determine revenue management related capacity requirements across the value chain & fill required vacant positions	BTO/RM	Improved revenue generation across the entire revenue management value chain (all functions within the municipality)	Improved collections
Systems: IT applications	Systems analysis	Identify and implement technological efficiency enablers across the value chain components (Metering, billing, debt collection and credit control) Implement IT solution that is mSCOA compliant	BTO	Updated IT system requirements analysis which is fit-for-purpose and agile Improved data quality, integrity and compliance with National Treasury's requirements	User Requirements Specification mSCOA compliant IT system

	Strategic intervention	Initiative	Responsible	Outcomes	KPI
Time Management	HR Management System	Implement time management system	BTO/ Corporate Services: IT	Reduced overtime and absenteeism	Overtime cost reduction
Community and Stakeholder Engagement	Change Management	Develop and implement a Change Management Plan	BTO	Buy in from all stakeholders on new Revenue Enhancement strategic initiatives	Change management workshops and communication
	Community satisfaction	Develop and roll-out regular/ongoing community satisfaction surveys	BTO/ Corporate Services: IT	Increased customer satisfaction	Survey rolled-out and feedback solicited
	Stakeholder engagement	Develop communication plan to engage communities in relation to service delivery and revenue collection	Community Services	Increased collection rate	Plan developed and rolled-out

Table 12: Implementation Plan - Revenue Organisational Enablers

5. Strategy Implementation Considerations

5.1 Implementation of the Revenue Enhancement Plan

The implementation of the documented Revenue Enhancement Strategy is dependent on various factors, and in particular factors which may also impact on the successful implementation of the outlined interventions. However, the primary responsibility to ensure successful rollout of these interventions' rests with the municipality. As a way to provide assurance that the required interventions are being implemented, on-going monitoring of the Revenue Management Strategic Plan by the Municipal Manager and the CFO will be critical to ensure successful implementation. It is recommended that the on-going progress reporting and the status of the Revenue Management Strategic Plan get incorporated as an agenda item in the various forums including Departmental meetings.

The overall responsibility to implement the Strategic Plan lies with the CFO supported by the Revenue Manager and to a large extent the Municipal Manager as well as the municipality's Senior Management Team (SMT). The senior management team remains at the forefront with regards managing to the actual projects/initiatives, and on a day-to-day basis. This implies that either the Revenue Manager or other municipal Officials will manage specific interventions. This will include resourcing the interventions, managing the schedule, risks and issues, as well as any items related to the successful implementation of these interventions. It must be emphasised that the strategies set out in this Plan relate to activities that must be institutionalised and performed by various municipal officials as part of their routine duties, who have been appointed to such positions and given specific roles, responsibilities and delegations.

5.2 Key Dependencies and Stakeholder Involvement

Municipal officials will continuously identify complementary measures/ interventions to revenue management. To this effect, the Revenue Management Strategic Plan remains a live document, which will be continuously updated. This also includes the updates on the progress of various initiatives.

The realisation of the objectives of the Strategic Plan is also dependent of the availability of financial resources. Another critical factor in achieving the intended objectives of this Strategic Plan is buy-in from political leadership of the municipality, where the Mayor and the Council need to be fully conversant with the introduction of various interventions of the Revenue

Management Strategic Plan. Equally important is the management buy-in, as this layer will be driving the implementation of the various plans. To ensure this is achieved, a Change and Communications Management intervention has been suggested to facilitate buy-in from all key stakeholders involved in the municipality's Revenue Management Strategy implementation.

5.3 Funding and Budget Considerations

The availability of funds to support the implementation of the identified initiatives remains a major risk in deriving benefits and realising the aforementioned objectives of this Strategic Plan. It is therefore recommended that various funding options be considered for the purposes of implementing the identified initiatives, in the order of priority as set out.

It is thus recommended that guidelines of the Municipal Finance Management Act no. 56 of 2003 be followed in the adjustment of budget to make funds available for the immediate implementation of the identified interventions.

A Risk-Sharing model is also recommended in relation to Debt Management interventions, this will minimise the initial requirement for funds to obtain specialised services from external services providers. Long-term interventions should be considered for inclusion in the IDP in the coming financial year, based on priority and impact of the proposed interventions. The outcomes of these interventions will be re-evaluated as part of the IDP prioritisation process. Specific outcomes and KPIs for the interventions identified in this Strategic Plan will facilitate development of the SDBIP for the municipality.

5.4 Implementation Monitoring and Reporting

The monitoring of the successful implementation of the Strategic Plan, as well as the evaluation of the impact brought about by various interventions will provide assurance that the identified interventions are being implemented, the milestones are being achieved and the objectives of the plan are being realised. An important aspect for consideration in the successful implementation of the plan is the need to institutionalise various aspects of the plan, including recommended improvement initiatives in relation to organisational effectiveness amongst others.

The responsibility for monitoring and reporting on the implementation of this Revenue Management Strategic Plan lies largely with the CFO, Revenue Manager, as well as various Departmental leads.

Reporting on the Revenue Management Strategic Plan is illustrated in the table below:

Role	Responsibility	Reporting
Portfolio Committee	Oversight of the municipality's Revenue Enhancement Strategy implementation and overall performance of LNM's Revenue Department.	Council
Municipal Manager	Overall responsibility to implement the Strategic Plan (Revenue Enhancement Strategy)	Reports to Mayor
Senior Management Team (primarily the CFO and Revenue Manager)	Overall implementation of Revenue Management Strategic Plan as well as achievement of said objectives including improving revenue collection/realisation.	Reports to Municipal Manager
Functional Managers	Day to day management of strategic initiatives/projects, including reporting and updating of plan	Reports to Senior Management team

Table 13: Revenue Management Strategic Plan

Implementation progress will be managed predominantly across various roles highlighted in the table above, as well as any emanating risks and issues which may arise throughout the implementation phase. The overall accountability in regards the implementation of the plan still rests with the CFO and the Municipal Manager, who will in turn report to council/mayor and take necessary corrective actions to resolve/address any possible risks, issues and lack of progress. Risk Management will be incorporated onto progress reporting as well as Departmental meetings or weekly review meetings. This will provide a platform for addressing potential risks, developing response strategies as well as mitigation measures in order to ensure benefits realisation in relation to identified interventions as outlined in the next section of this document.

5.5 Maintaining the Revenue Management Strategic Plan

The regular reviews of implementation progress of the Revenue Management Strategic Plan, together with the need to continuously consider options to improve revenue management will in no doubt lead to identification of additional interventions to augment the current Revenue Management Strategic Plan. Moreover, regular status reviews of the Strategic Plan will result in the need to continuously update the Plan to reflect progress in implementing the Plan. Therefore, respective Departmental leads and/or the CFO will assume the responsibility of updating the Strategic Plan and ensuring all the information in the Plan is maintained regularly.

Ongoing updating of the Strategic Plan will also incorporate risk and issue management as to ensure progress of implementation is tracked in line with the emerging risks as well as issues that may have materialised. All the updates to the Revenue Management Strategic Plan will be consolidated and managed (controlled) by the Revenue Manager on an ongoing basis.

6. Risk Management – Strategy Implementation

In the context of the Revenue Enhancement Strategy implementation, risk management is concerned with determining, assessing and prioritising potential risks and the consequent development of appropriate measures to minimise, eliminate or control the identified risks that may impact the roll-out of identified interventions.

6.1 Risk Assessment and Mitigation

The table below identifies some of the potential risks that may realise. The table comprises of:

- Risk Identification – this is the description of the potential risk, with the associated risk identification number.
- Owner – this is the person responsible for managing the risk.
- Priority & Impact – this is to classify the criticality of the associated risk.
- Mitigation – describing potential risk mitigation (includes minimising, eliminating or control) measures.

Risks identified in relation to the implementation of the Revenue Enhancement Strategy for LNM are listed below:

Item	Description	Owner	Probability	Impact	Mitigation
1.	Lack of budget/financial resources to implement the strategic interventions	CFO	H	H	Identify potential funding for each item requiring funds; develop justification for each and getting this through the approval process
2.	Lack of skills to oversee and manage the implementation of identified projects	MM	H	M	Source assistance from CDM and Provincial Government
3.	Conflicting priorities leading to poor implementation of initiatives	MM	M	H	Prioritise strategic initiatives, and monitor implementation on regular basis
4.	Poor monitoring of the strategic initiatives leading to poor implementation of initiatives	MM	M	H	Ensure initiatives form part of performance compact for all senior managers
5.	Delays in Supply Chain Management processes impacting sourcing of skills or	CFO	M	M	Consult with SCM for support. Consider Section 32 process where feasible

Item	Description	Owner	Probability	Impact	Mitigation
	appropriate systems				
6.	Delays in the recruitment process and inability to fund critical posts thus impacting filling of critical vacancies in the municipality.	MM	M	M	Develop a prioritised list of key positions to be filled, initiate recruitment process and track completion. Secondment of critical resources as a temporary measure

The identification of potential risks in relation to the implementation of Revenue Enhancement Strategy will serve to inform specific control/mitigation measures, which will ultimately lead to the successful implementation of the strategy. In order to ensure risks are proactively managed, it is recommended that progress reporting, together with the review of associated risks is incorporated onto weekly management meetings.

7. Conclusions

In order for the Municipality to deliver on its service delivery mandate as well as meet its financial obligations, it will need to focus on the implementation of this Revenue Enhancement Strategy, and in particular, prioritisation of the interventions set out in the Implementation Action Plans.

The strategic initiatives identified in this document can only provide the required improvement if specific efforts are put in place to monitor the implementation, and consequent benefits tracked in line with the targets set-out in this strategic plan. Therefore these initiatives are not stand-alone, but seek to complement set performance targets and give effect to the achievement of annual performance targets for the municipality. The roll-out of the identified interventions will support the LNM municipality in improving service delivery, and establishing a firm foundation to move the entity towards a financially sustainable state.

The commitment of necessary financial resources, the appropriately skilled personnel, supporting processes and information systems is also key to ensuring all the identified strategic initiatives are implemented to effect improvement in the provision of services by the Municipality.

Council Approval

Date	**28 May 2026**
Resolution Number	**6.2.1.05.2025/2026**
Signature	