

CITY OF MATLOSANA

STRATEGY/ACTION TO REDUCE EXPENDITURE AND IMPROVE REVENUE TO IMPROVE THE FINANCIAL POSITION OF THE MUNICIPALITY

1. COST CONTAINMENT MEASURES

No	AREA OF CONCERN	DESCRIPTION OF ACTIONS TO BE UNDERTAKEN	ESTIMATED FINANCIAL IMPACT	RESPONSIBLE PERSON/DEPT	TIMEFRAME
1.1	Overtime	Reduce monthly overtime bill by 30% by ensuring strict monitoring and prior approval before overtime is worked. Officials above threshold overtime leave be taken.	30% of current costs = R12m p.a	All Directorates/ HR	Immediately
1.2	Water Losses	Reduce purchases by reducing burst pipes and leaks	2.5% reduction of monthly bill= (R700000x12) R8.4m p.a	Technical	01 July 2019
1.3	Telephone Bill	Reduce phone bill by limiting access and monitoring usage by implementing control system. Adoption of Telephone Policy	(R9m p.a-50%) R4.5m	Corporate Support	01 July 2019
1.4	Fleet Management	Establishment of a Fleet Management unit to monitor usage of vehicles, fuel consumption and travel log sheets for each vehicle and account for every trip.	(R20.4m -10%) R2m p.a (Fuel) Fleet Maintenance (R37m-5%) R1.8m	Corporate Support/ Technical(Electrical)	01 October 2019
1.5	Contracted Services: Printing	Implement a paperless environment by sending agendas/memos electronically	(R1.7m-60%) R700 000 p/a	Corporate Support	01 July 2019

No	AREA OF CONCERN	DESCRIPTION OF ACTIONS TO BE UNDERTAKEN	ESTIMATED FINANCIAL IMPACT	RESPONSIBLE PERSON/DEPT	TIMEFRAME
1.6	Contracted Services: Grass Cutting	Reduce external contract of grass cutting services by 30% and do it internally	(R7m – 30%) R2.1m p.a	Community Services	01 October 2019
1.7	Procurement of non-service delivery goods: Tea and Coffee for internal meetings	Provision of Tea & Coffee at internal meetings	R100 000 p.a	Corporate Support	Immediately
1.7	Procurement of non-service delivery goods: Catering	Reduce catering services. Adoption and implementation of Cost Containment Policy	50% of current Costs R300 000	All Departments	Immediately
1.8	Electricity Losses	Installation of LED lights. Installation of check meters. Preventative maintenance on transformers. Installation of timeous switches	(R46m- 2.5%) R13.8m p.a	Civil Engineering (Electrical)	01 July 2019- 31 December 2019)
1.9	Strengthen Procurement processes (Value for Money)	Establish Finance Management Committee for management of R2000 to R200 000 quotation	Ensure demand management is implemented (Market related prices)	Finance Management Committee	1 July 2019
1.10	Reduce Fruitless & Wasteful Expenditure (Interest Charged on overdue outstanding credit)	Engage creditors for possible write-offs. Targeted Eskom & Midvaal	To be determined	Finance	1 October 2019
		SAVING	R45,7 Million (minimum)		

2. REVENUE ENHANCEMENT

No	AREA OF CONCERN	DESCRIPTION OF ACTIONS TO BE UNDERTAKEN	ESTIMATED FINANCIAL IMPACT	RESPONSIBLE PERSON/DEPT	TIMEFRAME
2.1	Water Losses	There are about 14 000 water meters recording 0 or 1 in the whole of KOSH area. The Directorate needs to replace 5000 faulty water meters in the KOSH per quarter	(R2.1mx5000mx75%) R18m	Civil Engineering	30 June 2020
2.2	Way Leave applications	All way leave applications to include an application fee	(R30 000pm x 12) R360 000p.a	Civil Engineering (Roads)	01 July 2019
2.3	ESKOM Supplied areas	COM to engage ESKOM and have partnership for revenue collection in ESKOM supplied areas to apply 70/30 Policy	Kanana (R1b x 70%) = R746m Khuma (R597,2m x 70%) = R418 m Tigane (R116,9m x 70%) = R81,8m	Finance Councillors-public participation and education on 70/30 Policy	Immediately
2.4	Debt Collection	Improve the project Management of the Debt Collection Contracts	R50m p.a	Finance	31 December 2019
2.5	Debt owed by Government Departments	Optimise debt collection from Government Departments. Engage Provincial Treasury for direct payment from Departmental allocations.	R25m p.a	Finance	01 July 2019
2.6	Electricity revenue	Increase inspections especially on businesses	R12m p.a	Civil Engineering (Electrical)	01 July 2019
2.7	Back Office administration and electronic	Procure and implement the Back Office admin	R12m p.a	Public Safety (Traffic)	01 October 2019

No	AREA OF CONCERN	DESCRIPTION OF ACTIONS TO BE UNDERTAKEN	ESTIMATED FINANCIAL IMPACT	RESPONSIBLE PERSON/DEPT	TIMEFRAME
	traffic law enforcement system	and law enforcement system			
2.8	Electronic Parking Meter System	Procurement of Parking Meter system to monitor street parking and collect parking revenue in CBD area.	R1.8m p.a	Public Safety (Traffic)	01 December 2019
2.9	Enforcement of municipal By-laws	Improve compliance with By-laws and issue penalties of non-compliance	R500 000 p.a	Public Safety	01 July 2019
2.10	Faan Mentjies Nature Reserve PC Pelsier	Leasing Educational centre. Increase of tariffs as per new tariffs	R120 000 p.a R410 000 p.a	Community Services (Parks)	01 July 2019
2.11	Review of Hostel and site permits	Reconciliation of permits with accounts at Finance to can accurately bill occupants.	R1m p.a	Human Settlement and Planning	01 July 2019
2.12	Auctioning of Game	Disposing of animals at the Game Reserve.	R600 000 for all animals identified	Community Services	01 July 2019
2.13	Review Market tariffs	Benchmarking exercise with other Markets (Retail, Butchery, dry products, confectionary, agro-processing)	Additional R13m	LED	1 July 2020
2.13	Establishment of Licensing cubicles	The renewal of motor vehicle licenses	R18 p.a	Public Safety (Licensing)	1 October 2019
2.14	Town Planning and Building control	Issuing of contravention notices and penalties	R100 per day + Application Fee + Rates & Taxes payable from the date of non-compliance	Human Settlement	01 July 2019
2.15	Billboards	Improve contract management	R200 000	LED	Immediately

No	AREA OF CONCERN	DESCRIPTION OF ACTIONS TO BE UNDERTAKEN	ESTIMATED FINANCIAL IMPACT	RESPONSIBLE PERSON/DEPT	TIMEFRAME
2.16	James Motlatsi	Lease stadium to reputable teams.	Per market value	Community Services	1 October 2019
2.17	Land disposal	Ensure land is sold at Market Related prices and not on Credit	Per market value	Human Settlement	1 July 2019
2.18	Cost Reflective Tariffs of Service Charges	National Treasury assisting with this project	Must be informed by Cost of providing services Market related	Finance & Technical Services	Immediately
		TOTAL	R139,9 million		