



A COMPANY OF THE MANTO GROUP

improvement

BY MANTO MANAGEMENT



Contents Problem Statement

- Sustainable revenue generated from land
- Property rates
- Municipal owned land
- Where do we start?
- Conclusion



Problem Statement



Misalignment between (usage and zoning) processes and a lack valuation roll data and of revenue to

MANTO

Misalignment between town planning processes

- (usage and zoning) and property valuation
- processes and a lack of integration between the
- valuation roll data and billing data results in a loss
 - of revenue to the municipality

Sustainable revenue generated from land





Sources of land based revenue





Property rates





Property rates in the revenue value chain



Valuation roll – Procedure

No.	Procedure	Department
1	Perform - General valuation every 4 years (extended by 1 year).	Planning
2	Appoint a registered valuer - responsible and accountable to prepare a completed valuation roll for the municipal area	Finance - SCM Planning - ToR
3	Appoint an Appeal Board	Planning
4	Maintain listing of all properties on the financial system	Finance
5	 Obtain a list of: "monthly final inspections" and "Occupation Certificates" to confirm that a building was erected Obtain the approved list of revised zonings properties consolidated and/or sub-divided 	Planning
6	Update the property records with the above information with information from the Deeds Office for properties transferred, consolidated and/or sub-divided	Planning
7	Submit updated property records to the appointed Valuer (Information on property record: size of plot, town planning zoning of plot, name of owner and deed registration date)	Planning
8	Receive the draft Valuation Roll from Valuer and review for completeness	Planning
9	Report any deviations on the draft Valuation Roll to Valuer for correction.	Planning
10	Receive the updated draft Valuation Roll from Valuer.	Planning

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and objections on prescribed forms, from rate payers	Planning
objections by rate payers	Planning
ctions, with copies of actual objections, to Valuer	Planning
ed Valuation Roll, with adjustments, from Valuer	Planning
for all adjustments more than 10% to the Appeal tion, amendments or revocation	Planning
f reviewed valuations to applicable rate payers	Planning
l process	Planning
ed Valuation Roll from Valuer	Planning
on Roll on financial system	Finance
ation Roll on the financial system with the Valuation the Valuer	Finance
oal Register of Properties	Planning



Land value capture concept

- Land value capture mechanisms can be a major source of revenue for local government
- Starts with the betterment of land:
- 1. infrastructure improvements, e.g. roads, schools, municipal services and other public facilities
- 2. rezoning that changes land to a higher usage value, e.g. residential development vs agriculture
- 3. improvements in the local economy that make an area more sought after, supply and demand plus consumer behavior
- Funded through grant funding, private investment, development contribution mechanisms or PPP
- The successful implementation of any LVC mechanism largely depends on:
- 1. its design
- 2. a clear legal and policy framework
- 3. effective land use management systems
- 4. well trained and capacitated people implementing it
- 5. an efficient, accurate and timely land valuation process that accurately identifies changes in land values.





Municipal owned land





Purpose of municipal property management





Sustainable municipal property management model

Illustrative model of a strategy process

Strategy



Outcomes

- The revenue due to the municipality is collected
- Property assets are managed and maintained
- Satisfied stakeholders and customers
- Improved integration between custodians, support functions and finance



Capabilities of a municipal property management unit





Where do we start?



Manto Management



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3

Establish a revenue improvement project for land based revenue

Project governance structure allowing true project ownership and accountability

1

(4)

Implement

Monitor and evaluate

Centrally coordinated programme to collectively manage the wider project delivery process

- Tightly managed accountability and delivery processes
- Standardised systems and reporting
- Central collection
- Review of progress and results data
- Interdependency management
- Roadblock removal



(3)

2

Identify shortcomings



Devise solutions Plan corrective actions Mobilise resources

Conduct an assessment of the capability and capacity for property management...launch initiatives to resolve gaps



Is there a property management strategy in place?
Is there a visible focus on property management?
Is the RE asset register complete and accurate?
Is the budget ringfenced for property management?
What is the level of compliance with legislation and risk management?

• Is there a revenue improvement strategy?

Is there a property management structure in place?
Does the structure adequately support the management of the property portfolio?
Is there a dedicated team to manage buildings?
Does the structure enhance / hinder integration and communication?



Possible solution - GIS



COMMUNITY SERVICES

CORPORATE SERVICES

MPRA SPLUMA Compliance

A geographic information system (GIS) is a tool for:

- Gathering data
- Managing data
- Analysing data

It analyses spatial location and organizes layers of information into visualizations - helping users make smarter decisions







Feature Information | T068604238

General Facility Information

Other Information

Property Data

Services Data

a Consumer Data

Metadata

Services	Information	

Meter Photos

Service Type	Water		
Meter Type	Above Ground Box		
Meter Make	Other		
Meter Size	15mm		
Meter Number	GKW0978		
Meter Readable	Yes		
Meter Reading	2404		
Latitude (dd.mm.ss)	unknown		
Longitude (dd.mm.ss)	unknown		
Visible Leaks Present	Yes		
Where is the leak	Facility F On Ground		
Electricity Present	Yes		
Electricity Supplier	ESKOM		
Electricity Meter Number	0000		

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Links









Conclusion



Unlocking the socio-economic potential of the property portfolio for the benefit of the municipalities' residents

The next biggest source of revenue for most municipalities after trading services lies locked away in their land bases

"Sound strategy starts with having the right goal. And I argue that the only goal that can support a sound strategy is superior profitability. ... If your goal is anything but profitability – if it's to be big, or to grow fast, or to become a technology leader- you'll hit problems."

[Michael Porter's Big Ideas]



