



**REVCO**

Revenue Consulting (Pty) Ltd.

Makana Performance Report  
February 2016



### **1. Business Reporting and Analysis**

- (a) Summary of Performance and Payments Received – Feb 2017
- (b) Payment Analysis (6 Month Collections & Yield Percentage)
- (c) Yield Percentage (Illustration Graph)
- (d) 6 Month Collection Graph
- (e) 6 Month Collections per Cycle & Illustration Graph

### **2. Book Analysis**

- (a) 6 Month Payment & Account Activation Analysis
- (b) Overview of Payment Recurrence
- (c) Payment Arrangement & Default Analysis for Feb 2017
- (d) Status on Remaining Accounts
- (e) Government Progress
- (f) Government Breakdown on Remaining Accounts

### **3. Handover Analysis**

- (a) Feb 2017 Handover Analysis
- (b) Action Summary for Feb 2017

### **4. Inactive Accounts & Withdrawals**

- (a) Query Report
- (b) Accounts Referred back to Client

### **5. Challenges**

# Content of Reporting

1. Business  
Analysis

# Summary of Performance & Payments for Feb 2017

(a)

Summary Performance For the Month Of February 2017			
Description	Nr. of Files	Balance	% of Book
Opening Balance	14 982	295 946 569	
Net Movement		20 003 326	
Positive Placement – New account creation	1 341	4 226 208	
Accounts handed over in Feb 2017	0	0	
Accounts Re-Opened in Feb 2017	139	467 152	
<b>Total</b>	<b><u>16 462</u></b>	<b><u>320 643 255</u></b>	
Less: Accounts Closed	196	0	
Less: Queries	389	13 379 397	
Less: Referred Back To Client	8 852	158 037 710	
<b>Total Of Inactive Accounts (see page 8)</b>	<b>9 437</b>	<b>171 417 107</b>	<b>53%</b>
Less: Legal	140	8 789 127	
<b>Total Workable Files</b>	<b><u>6 885</u></b>	<b><u>140 437 021</u></b>	
Payments Received Feb 2017 (as Finalized With Finance dept.)	1 920	3 770 464	2.68%
Files in Payment Arrangements Feb 2017	1 566	31 465 454	
<b>Files Remaining in other Status (excl Payments Received)</b>	<b>5 319</b>	<b>108 971 567</b>	

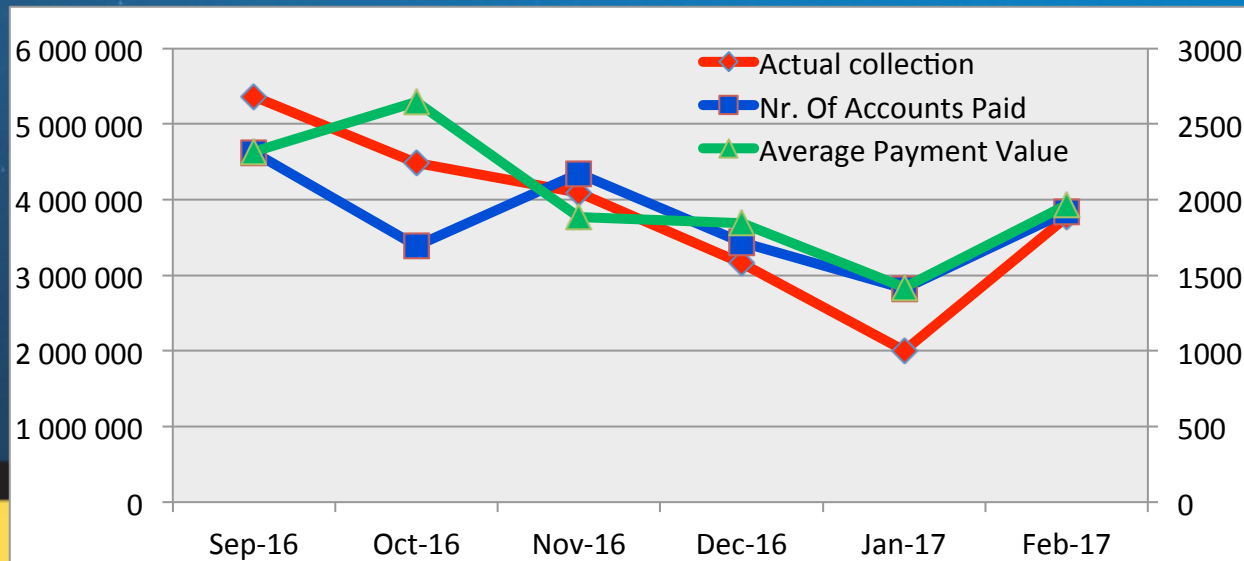


1. Business Analysis  
(b)

# Payment Analysis (6 Month Collection & Yield Percentage)

Average Payment Value Per Month					
Month	Active Accounts Balance	Actual collection	Nr. Of Accounts Paid	% Yield Achieved On Collection	Average Payment Value
Sep-16	94 923 519	5 361 020	2 313	5.65%	2 318
Oct-16	112 961 258	4 487 361	1 696	3.97%	2 646
Nov-16	129 762 668	4 098 139	2 174	3.16%	1 885
Dec-16	132 067 533	3 160 337	1 715	2.39%	1 843
Jan-17	136 242 149	2 000 308	1 409	1.47%	1 420
Feb-17	140 437 021	3 770 464	1 920	2.68%	1 964

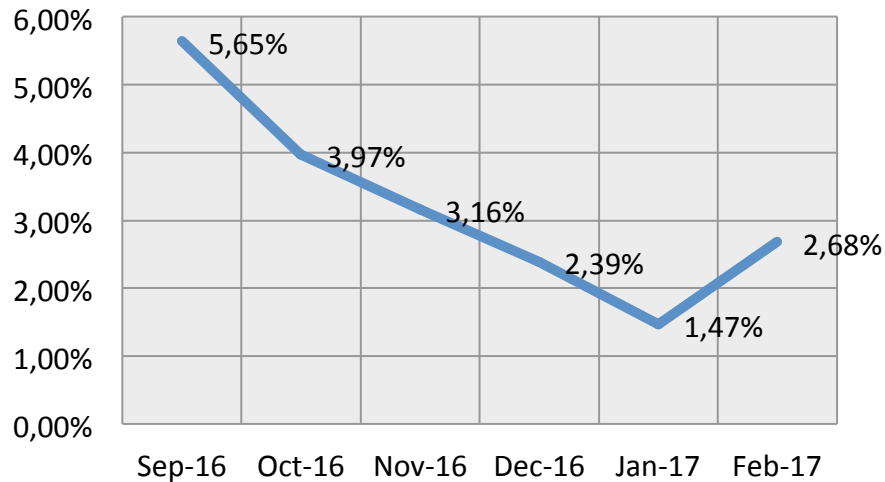
- **Comments:**
- Focus is to increase new activations within key geographical locations, and to improve the average payment value to R 2500.



1. Business Analysis  
(c)

# Percentage Yield achieved on Collections (Graph)

**% Yield Achieved**



	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
% Yield Achieved	5,65%	3,97%	3,16%	2,39%	1,47%	2,68%

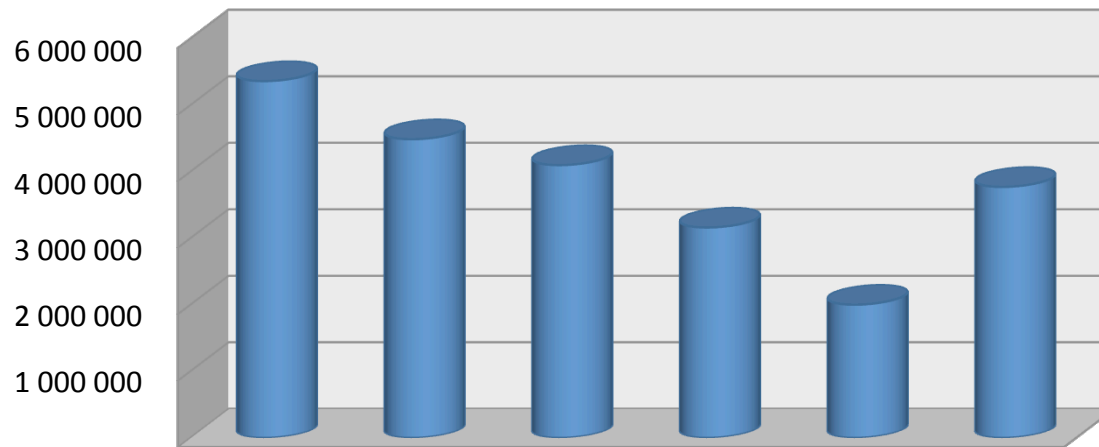
- **Comments:**
- Focus – to improve the yield to 4%, through focus on new activations within Townships



1. Business  
Analysis  
(d)

# 6 Months Collections (Graph)

6 Month Collections



	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
■ 6 Months Collections	5 361 020	4 487 361	4 098 139	3 160 337	2 000 308	3 770 464

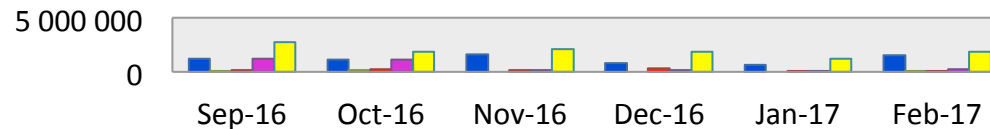
1. Business Analysis

# 6 Month Collection per Cycle (Graph)

(e)

6 Month Collection per Cycle					
<u>Month</u>	<u>Business</u>	<u>Colleges &amp; Universities</u>	<u>Farms &amp; Trust</u>	<u>Government</u>	<u>Residential</u>
Sep-16	1 184 739	59 916	187 879	1 201 146	2 727 340
Oct-16	1 105 164	129 761	228 992	1 132 044	1 891 400
Nov-16	1 643 184	0	155 401	163 395	2 136 159
Dec-16	816 452	0	296 041	160 737	1 887 107
Jan-17	639 454	0	118 218	19 177	1 223 459
Feb-17	1 525 440	82 012	106 010	218 307	1 838 695

6 Month Collection Per Cycle



	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
■ Business	1 184 739	1 105 164	1 643 184	816 452	639 454	1 525 440
■ Colleges & Universities	59 916	129 761	0	0	0	82 012
■ Farms & Trust	187 879	228 992	155 401	296 041	118 218	106 010
■ Government	1 201 146	1 132 044	163 395	160 737	19 177	218 307
■ Residential	2 727 340	1 891 400	2 136 159	1 887 107	1 223 459	1 838 695

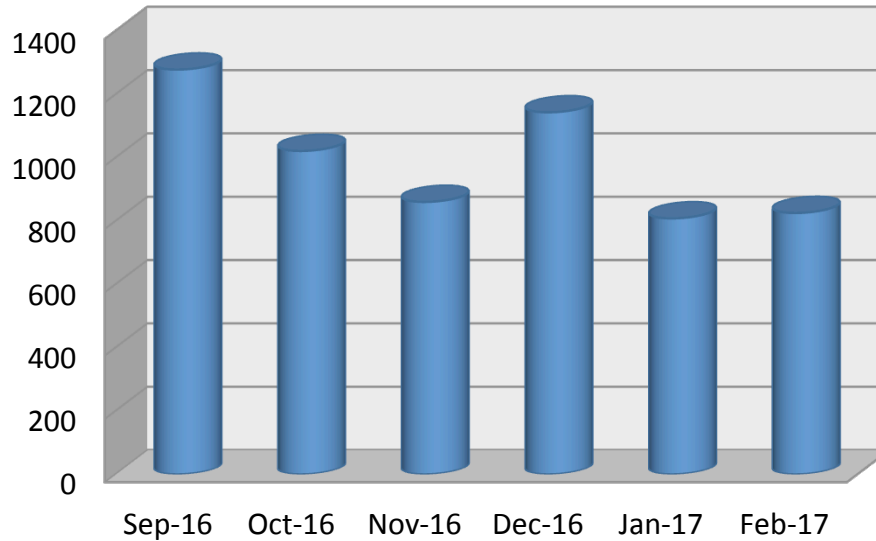


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# Overview of Payment Recurrence

**Recurring Payers**



	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
■ No of Recurring Payers	1278	1021	860	1143	808	825

- **Comments**
- Focus – To Increase Recurring payers until arrears/balances are paid up.



2. Book  
Analysis  
(c)

# Payment Arrangement & Default Analysis – Feb 2017

<u>Payment Arrangement Summary</u>			
<u>Description</u>	<u>No of Files</u>	<u>Value of Acc</u>	<u>Monthly PTP Installment</u>
Ptp's Agreed	1 566	31 465 454	3 067 362
Ptp's Honored	882	19 290 296	1 762 204
Ptp's for Mar 2017	330	5 857 133	445 160
Ptp's Defaulted	354	6 318 025	859 998

<u>Default Arrangement Summary</u>			
<u>Cycle</u>	<u>No of Files</u>	<u>Value of Files</u>	<u>% of Default</u>
Business	44	946 294	15%
Colleges & Universities	3	9 246	0%
Farms & Trust	11	135 172	2%
Residential	296	5 227 313	83%

- **Comments**

Pre-termination notices have been sent to defaulters- see separate commentary on status of cut off process; Eskom supplied areas, accounts handed over to legal

Payment Arrangement Repayment Term:

Business – 10 Months (Farm-Rural Areas)

Colleges & Universities – 6 Months

Farms & Trust – 8 Months

Residential – 32 Months



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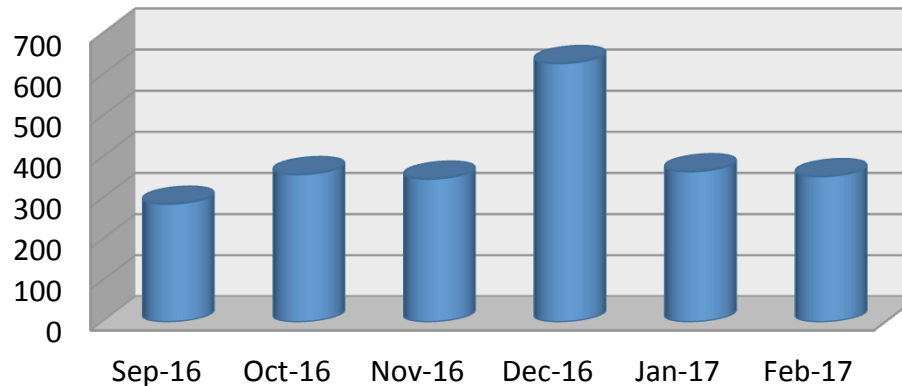
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2. Book  
Analysis  
(c)

# Payment Arrangement & Default Analysis – Feb 2017

<b>Default Arrangements</b>		
<u>Month</u>	<u>Nr. Of Defaulted Accounts</u>	<u>Default Amount</u>
Sep-16	287	378 362
Oct-16	359	1 762 721
Nov-16	348	2 931 041
Dec-16	629	4 464 617
Jan-17	366	4 224 805
Feb-17	354	859 998

**Defaulted Arrangements**



	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
■ Nr. Of Defaulted Accounts	287	359	348	629	366	354



# Status of Remaining Accounts

## 2. Book Analysis

(d)

Description on Status	Count of Matter no	Running Balance	% of Book
<b>Collection Process</b>			
Business	296	8 558 190	
Colleges & Universities	6	302 837	
Farms & Trust	142	2 285 937	
Government	294	10 630 261	
Residential	3 906	72 415 991	
<b>Total Accounts in Collections Process</b>	<b>4 644</b>	<b>94 193 216</b>	<b>86%</b>
<b>Referred to trace</b> - no positive contact found on handover, accounts are sent to tracing for the recent contacts with the debtor	675	14 778 351	14%
<b>Grand Total</b>	<b>5 319</b>	<b>108 971 567</b>	

### • Comments

The following actions have been executed on the remaining statuses:

- 1,114 Account holders have been listed on ITC. (Value of R28,7M)
- S129 has been distributed to 1,822 account holders with value of R39,1M

Following actions are pending:

- 61 accounts to the value of R2,4M – Electricity supply to be terminated
- 1,335 Accounts R10,9M are pending S129
- 1 Account to the value of R41,908 are pending ITC listing



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2. Book  
Analysis  
(e)

## Government Progress - Continue

### Provincial

- 59 Accounts to the value of R2M – All documentation has been submitted. Lukhanyo promised committed to end of March 2017

### National

- 78 Accounts to the value of R4,3M – All documentation has been submitted. Gomoco committed to 13.03.2017
- 47 Accounts to the Value of R1,4M – Documents will be submitted to the department.

### Education

- 18 Accounts to the Value of R808,950 – All documents has been submitted to Mrs Biko. She has instruction Andiswa to complete payment process.
- 12 Accounts to the Value of R292K – Documentation will be submitted to the department

### RSA

- 29 Accounts to the Value of R953,602 – Must be validated on Provincial and National asset register to determine liability.



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2. Book  
Analysis  
(f)

# Government Breakdown on Remaining accounts

Government Category	Nr. Of Accounts	Outstanding Balance
DISTRICT ACCOUNTS	6	R128,586
EDUCATION	30	R1,168,608
CLINICS & HOSPITALS	8	R209,439
LAND AFFAIRS	5	R13,991
MUNICIPAL OWNED & OCCUPIED	7	R77,304
NATIONAL PUBLIC WORKS	125	R5,774,015
PROVINCIAL PUBLIC WORKS	59	R2,052,135
ROADS & TRANSPORT	25	R252,581
RSA	29	R953,602
<b>Grand Total</b>	<b>294</b>	<b>R10,630,261</b>

- **Comments**

- Republic of SA –  
Accounts to be verified–  
Farms will be sent to  
Provincial for  
Verification

3. Handover  
Analysis  
(a)

# Handover Analysis – Feb 2017

<u>Identity validation</u>	<u>Count of Matter</u> <u>No</u>	<u>Sum of Debt</u> <u>Amount</u>	<u>Percentage</u>
Invalid Id no	0	0	0%
Valid Id no	0	0	0%
<b>Grand Total</b>	<b>0</b>	<b>0</b>	

<u>Address Validation</u>	<u>Count of Matter</u> <u>No</u>	<u>Sum of Debt</u> <u>Amount</u>	<u>Percentage</u>
Invalid address	0	0	0%
Valid address	0	0	0%
<b>Grand Total</b>	<b>0</b>	<b>0</b>	

<u>Contact Validation</u>	<u>Count of Matter</u> <u>No</u>	<u>Sum of Debt</u> <u>Amount</u>	<u>Percentage</u>
Invalid contact no	0	0	0%
Valid contact no	0	0	0%
<b>Grand Total</b>	<b>0</b>	<b>0</b>	

# Action Summary for Feb 2017

## Actions Done – Feb 2017

<u>Action Summary for Feb 2017</u>		
Action	No of Files	Value of Acc
Call Campaigns Done	4 363	110 687 536
S129 Letter Campaigns	1 532	30 821 748
Listed on ITC	859	21 245 196
De-Listed from ITC	17	133 196
SMS Campaigns	2 957	47 210 083

Credit control Actions: Pre-termination notices

Deceased Estates: 771 letters valued at R 19 799 492 –Notices served;

Residential: 243 letters valued at R 5 226 649 – Notices served;

Cut off listing – 589 matters valued at R 12 348 362

Disconnections executed : 72 matters valued at R 1.1 million

Summons actions: 167 accounts identified\_ R 5 090 942 ( first batch sent to Municipality for signoff)



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4. Inactive  
Accounts &  
Reversals  
(a)

# Accounts Referred back to Client & Withdrawn

## Query Report

Reason	Nr. Of Accounts	Last Available Balance
Billing	195	R8,785,054
Clients Instruction	3	R47,271
Duplicate Account	2	R120,979
Electricity Meter	4	R118,904
Liquidated	3	R65,645
Ownership Dispute	119	R2,348,887
Rates	14	R525,963
Rented, moved out	31	R124,883
Valuation Dispute	6	R89,597
Water Meter	12	R1,152,214
<b>Grand Total</b>	<b>389</b>	<b>R13,379,397</b>



4. Inactive  
Accounts &  
Reversals

# Accounts Referred back to Client & Withdrawn

(b) **Accounts referred back to Client**

Description	Nr. Of Accounts	Last Available Balance
Clients Instruction	1	R505,538
Deceased	2,441	R67,507,954
Indigent Confirmed	445	R2,715,799
Informal Settlement	341	R1,473,672
Insufficient Data	229	R7,079,838
Liquidated	63	R1,807,159
Municipal Owned & Occupied	744	R3,537,336
No Contact Trace Results	163	R3,832,082
No Deeds Record Found	141	R2,909,171
Potential Indigent - Sassa Verified	1,765	R28,495,685
Potential Indigent - Unemployed	244	R8,896,770
Prescribed	844	R13,167,637
RDP Dwellings	300	R9,532,941
Sundry Billing	187	R629,491
Tenant – Inactive accounts	932	R5,945,919
Un-Economical	12	R716
<b>Grand Total</b>	<b>8,852</b>	<b>R158,037,710</b>



## 5. Focal areas

# Core focus areas

- **Key focus will be placed on Townships ( limited credit control )- special campaigns**
  - **Targeted campaign against pensioners- owned properties;**
  - **Targeted campaign against –confirmed employed;**
  - **CPA data- credit applications- potential source of income;**
  - **Property size and developments other than RDP structure- spatial analysis;**
  - **Incentive scheme to encourage a culture of payments within areas;**
- **Disconnection of electricity supply must be actioned against 771 deceased estates;**
- **Priority must be placed on performance managing the disconnection of electricity to defaulting households- achieved 72 out of 589 requested; 1 014 new requests in progress;**
- **BTO must as a matter of urgency effect write-down of all accounts deemed irrecoverable: specific focus must be on: Deceased estates, prescribed, indigents, liquidated etc- separate Request for closure submitted.**



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# Thank You

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