

## CHAPTER 8: Conclusion and Policy Direction

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This chapter provides a summary of the entire research project and the conclusions and recommendations to the challenges that are affecting the Epworth Local Board to fully utilise property taxation and rating system.

Property rating and taxation system in low-income neighbourhood has several obstacles before it can fully realise its potential to be a significant source of income for Epworth Local Board. The difficulties outlined in this study have prevented the contribution from being even greater. However, the experience of Epworth Local Board demonstrates that property taxation and rating may yield up to 60% of its annual income. Although Epworth Local Board may have particular difficulties, they appear to be the same as those faced by other local authorities around in Zimbabwe. Some of the highlighted challenges are lack of enforcement of the law against defaulters, problems in funding revaluation surveys, a staffing shortage, poor land records, lack of funding from the central government to perform general valuation of their existing properties in their area of jurisdiction and the poor technical skills of the few people that are available.

The research findings presented the property taxation and rating system being used by Epworth Local Board is ineffective. The evidence available shows that, here is poor rate collection and an informal property market where properties are changing hands privately hence both ZIMRA and Epworth Local Board are losing out revenue from such illegal activities. Epworth Local Board is having operational issues that are mostly caused by its failure to collect income from both licenced and unlicensed commercial property owners and venders.

In addition, fees such as burial fees, inspection fees, and store licenses all have greater collection rates when compared to other revenue streams. Since the multicurrency system was put in place, the quantity of unpaid debt at Epworth Local Board has increased. This means that it high time for Epworth Local Board to take an initiative in investing in technology to improve their settlement and to boost their revenue coffers. The Urban Councils Act, Chapter 29:15 Section 1, provides local governments the authority to charge

people for services provided in their territory. According to the study, Epworth Local Board has this chance to raise money from the locals through this deed.

There are several ways for the Epworth Local Board to make money, including licensing, providing water, parking, social amenities, cemeteries and burial grounds, housing, and others. Another opportunity for local governments is to group their goods and services, such water and parking, according to residents and non-residents. Additionally, since the setup already has them covered, they do not need to locate customers.

The identification and mapping of all rateable properties, the classification and valuation of each property in accordance with established procedures by technically competent and honest staff, and the unbiased identification of taxpayers are just a few of the measures that can be taken to improve the current situation and influence policy directions. All rateable properties must be taken into account throughout the valuation and categorisation processes, and when creating a trustworthy and thorough valuation list and notifying property owners in advance of their tax liability. General valuation role must be established as provided in Urban Council Act Chapter 29:15, that rating valuation should be carried in a space of 5-to-10-year intervals. Also, the Local Board Valuation department also need to work closely with the surveying and deed registration divisions of the Lands Commission to develop an upgraded settlement in Epworth with adequate services as per town planning and development standards. Only with these methods can property taxation and rating produce the majority of public funding required by the Local Board to promote local development and decentralisation.

The community's capacity and desire to pay, and the scope of the rateable facilities, are the key obstacles preventing local governments from collecting money. The research revealed that another difficulty is that the majority of ratepayers in Epworth are not technically employed, hence their amount of income has a detrimental impact on the Epworth Local Board's efforts to collect money. It was stated that the issue of inaccurate billing and residents not receiving their invoices from the local authority are related to ratepayers' late or non-payment of bills.

The majority of ratepayers pay their rates out of a sense of responsibility to Epworth Local Board, rather than understanding the benefits of aiding the local authority's services. Poor service delivery, political pressure to relax revenue collection, poor corporate governance, poor debt collection mechanisms, insufficient power to enforce payment, poor billing, inadequate communication with ratepayers, and official corruption and financial embezzlement were discovered to be problems for the Epworth Local Board. However, poor service delivery, corruption, and money-laundering by council members are the most frequent causes of non-payment of bills by ratepayers.

Another finding was that the Epworth Local Board does not have the funding to update its aged water and sewage reticulation systems to improve service delivery. Furthermore, Epworth Local Board was found to be underutilising viable revenue streams. For example, liquor stores have remained closed for the previous two years despite the fact that they should be open or rented to outsiders. Furthermore, it was determined that politics is having a negative influence on the local government's efforts to collect taxes. Local politicians, for example, frequently oppose attempts to close stores to require the payment of shop licenses.

The local authority may increase its revenue collections with the help of accurate billing, sound corporate governance, the employment of competent and experienced employees, suitable contact with ratepayers, and enhanced revenue collection strategies. Council officials' fraud and corruption have damaged the public's perception of local governments, and this has to be rectified. Epworth Local Board's experience with loose regulations and poor pay is blamed for the issue.

The evidence from respondents, also discovered that, while late payments affect all ratepayer groups, high density users are more likely to suffer them. Because the bulk of them are unemployed, their income levels are mostly to blame. Epworth Local Board has various revenue streams available to it, but it is experiencing a working cash problem as a result of its inability to efficiently utilise these sources. The municipality is also ineffective at developing new revenue streams to supplement its existing revenue structure. The working capital situation cannot be resolved until the local government can effectively realise its revenue-tied debtors.

Most ratepayers are worried about getting punished for not making their payments. More money may trickle in as a result of payment enforcement methods including disconnections and criminal prosecution of defaulters. Above all, more money might be made if federal agencies and educational institutions compensated for local governments' services. To expand its service delivery fleet and repair its deteriorating sewage and water reticulation infrastructure, the local authority urgently needs financing from the national government. Higher contributions from residents will be the outcome of improved performance in these areas.

Based on the findings presented above the researcher will recommend Epworth Local Board and ZIMRA to implement the revenue enhancement model to improve their revenue collections. The Epworth Local Board should develop a debt collection policy and develop a system that keeps a revenue database. For example, the council may have a policy of disconnecting services and/or suing defaulters who disregard warning letters.

The research findings presented a challenge being faced by Epworth Local Board to implement a function property taxation system due to lack of adequate system and high debt as a result of people not paying rates. Initially, the Local Board should also seriously consider adopting computer aided mass appraisal known as CAMA that is the process of valuing a large number of properties using standardised procedures. This appraisal software system provides a source for more rigorous, objective and cost-effective solutions to compare and value property throughout the country. It also offers the most current and up-to-date information needed in assessing property values. New measures should be implemented to boost income collections, for example, the local government might implement parking fees in all car parks in several open spaces in Epworth. Staff should get training in customer service and debt collection to make them more competent; The local government has to have a strong plan for communicating with the ratepayers. This will help the local authority meet its revenue collection goals and simultaneously allay the anxieties of the ratepayers.

The other key challenge that was highlighted in the study was that there is lack of public participation in terms of paying rates and paying property Tax to ZMRA. The Council has to start working to enhance its relationships with

ratepayers. This will help establish positive ties with the locals, who will then support the organisation's efforts to raise money. It is urgent to launch the efforts to inform ratepayers of the value of paying for services. The Epworth Local Board should strengthen procedures to prevent official corruption and financial theft, and locals should be instructed to always get receipts when making payments. It is advised that there be a local authority support program that offers technical aid in financial management to municipalities. In addition, it is important to implement updated laws and regulations that provide local governments more control in areas like revenue generating and collection. Additionally, these laws and policies should work to strengthen local government leadership, management, and accountability, and the legal framework within which they operate.

Poor service delivery as a result of poor infrastructure, poor housing quality was explained as the key common challenge which needs to be addressed in Epworth. This study recommends that, to enhance service delivery, the Local Government should provide funding to local authorities to help them rebuild their deteriorating infrastructure and improve settlement upgrade through allocation of funds from a national budget. To acquire lines of credit, local authorities need also schedule an audit of their books of accounts for transparency purposes.

The study also highlighted the challenge of poor law enforcement on legislation and polices that govern taxation of properties. hence this study has observed that effective policy implementation requires that the various public agencies involved have a mutual understanding of the objectives of the policy and, their respective roles. To ensure a sound working relationship between the actors, it is vital that legislation and standard operating procedures are in place. If the relevant laws require revisions, these must be addressed first. Clarity on the division of functions and responsibilities amongst the key stakeholders is also essential, for instance: Who must provide and maintain the taxpayer database? Who must value the properties? and What training of valuers and collectors is required and who will do the training? Legislative framework for rating valuation in Zimbabwe need to be adjusted to reflect the reality in development, the Urban Councils Act talks about the rating valuation exercise being done after every 3 to 10 years which is not in sync with the rate of development in the country

Drawing lessons from Epworth, the findings have addressed the problems with property taxes and the rating system in low-income neighbourhoods. However, more has to be done by Epworth Local Board to update the settlements to offer acceptable services and allow ratepayers to account to the council for what they are paying for. Investigating the viability of property value in informal settlements, a crucial issue that was overlooked in the study, is the main subject that requires more study.

The effects of property taxes and rating systems on low-income neighbourhoods have been investigated, and each chapter describes how the results of the study were analysed, presented, and evaluated using questionnaires and interviews. The applicable theories, literature, and the research methodology used in the study was clearly explained in respective chapters before research findings from Epworth. The results, recommendations, and summary of the study project are presented in Chapter 8. Despite laws permitting the Urban Council to carry out fundraising initiatives in the territories it manages in accordance with the Urban Council Act (Chapter 29:15). The study highlighted potential ways to raise money, including public education, parcelling out of residential stands, door-to-door follow-ups to collect property taxes from residents who are reluctant to pay, and making sure that all commercial property has an operating permit. By doing so, they can increase their revenue stream and enhance service delivery. The difficulties facing Epworth Local Board have been identified, some of which include the absence of a system that can create invoices and bills, a weak, fractured network, and qualified valuers. The study's key recommendations were explained in detail, and some of them include the need for aggressive property rate follow-up, including the adoption of a door-to-door policy. To have title to all the properties in Epworth, the local board must invest in ICT to enhance administrative operations and the need for a property register/cadastral that stores property information. However, this can only be done once infrastructure and settlement have been upgraded to meet standards set by the property development process. There is room for improvement in their property rating and taxation system, and the local Board will be self-sufficient in its operations if all the issues covered in the study are put into practice.