

Three-way link boosts revenue collection in Wasa Amenfi West

This innovative project brought together three partners from around the Commonwealth: Wasa Amenfi West in Ghana, Surat in India and Hammersmith and Fulham, UK. The primary focus was to find ways of increasing tax and rate collections within Wasa Amenfi in order to finance expanding public programmes, especially in health and education.



▲ Peter Savage, former Assistant Chief Executive of Hammersmith and Fulham Council with Hon. Samuel Alberto Tekyi, District Chief Executive, and Kizito Ballans from Wasa Amenfi West.

Following the initial visit it became clear that all parties had ambitions beyond those which might seek to make the residents of Wasa Amenfi West more affluent and therefore able to pay the relevant taxes and charges, reports Peter Savage, former Assistant Chief Executive at Hammersmith.

The new Wasa Amenfi revenue system is now in its early stages of operation and is expected to yield increased revenues for the District. The database for the two trial villages, Asangkrangwa and Saremboi, now has almost 2000 records of property owners and more than 2000 for business enterprises. This is likely to generate sufficient additional income for an extension of the malaria relief programme for the district through water and sanitation programmes, repairs to educational facilities and the provision of a librarian.

Project partners and the CLGF India coordinator Anuya Kuwar visit a textile plant in Surat, India.



Comparing authorities

Surat is a large, mainly urban authority with a population of more than three million that is moving from being one of the least clean cities in India to one of the cleanest. This, combined with other factors, means that it is attracting industries (primarily textiles and diamond processing) and large numbers of people who are moving into the city from surrounding rural districts. There are extremes of wealth and poverty: regeneration programmes within the city boundaries, which are expanding to cope, have to deal with major slum relocation as well as luxury housing and the necessary transportation.

This can be contrasted against Wasa Amenfi - a rural district in the heart of the Ghanaian rainforest with a population of 160,000. Most residents are farmers who grow a vast range of crops either for self sufficiency or for sale. Crops include cocoa, coffee, coconut, oil palm, maize, pineapple, bananas and plantain along with staple root vegetables. There are areas of development and investment including forestry projects and rubber plantations.

Hammersmith and Fulham is an inner London borough with a population of 170,000 with diverse backgrounds and needs. Again extremes of relative wealth and poverty are present in this densely populated area of west London.

Despite the geographical differences, the three authorities face similar challenges as democratically elected local authorities — personal safety, health, education and street cleanliness are all high priorities as is providing all this with value for money.

The project began in January 2006. The Commissioner of Surat Municipal Corporation and two Deputy Commissioners visited Hammersmith en route to Wasa Amenfi. During the visit they were able to compare practices, identify commonalities and discuss possible approaches to improving revenue generation. The visit included a mixture of formal briefing sessions and some informal social visits. A strong bond between the delegations was quickly formed.

The two delegations then proceeded to Ghana in early February. Here too strong bonds were quickly formed as they met the key players in the district as well as the deputy regional Minister. The group also looked at regeneration and economic development, comparing the three authorities and what lessons could be learned from each other.

In April 2006 a delegation from Wasa Amenfi came to London en route to Surat. By now a clear insight into the scale and nature of the issues and plans was evolving. A programme for local procurement of a system was set out. Over the following year, staff in Wasa Amenfi worked on this while communications continued over the potential regeneration initiatives.

In June 2007, teams travelled to Ghana to check that the software was properly installed, that those using it were properly trained, and to begin the evaluation of how this would start to affect the local development of the area.

Taxation systems

The local taxation regimes vary between the three councils:

- Surat gets very significant income from Octroi, a


mainstay, indirect tax which accounts for 56% of revenue and which is collected using on-line computers from the many lorries entering the city limits bringing goods, articles etc for use, consumption, and sale (primarily textiles). In addition a property tax contributes 25% to the city coffers.

- Wasa Amenfi West has an extremely complex range of taxes including property rates and various taxes on income. Some of these taxes seem to be uneconomical to collect.
- Hammersmith and Fulham has two main sources — council tax (a hybrid personal/property tax) and national non domestic rate (business rates). The relative contributions in the form of government grant are equally varied.

In India the central and state governments have started giving significant capital grant aid for developing the infrastructure such as water supply, sewerage, storm drainage, bridges and fly-overs and for urban-poor housing schemes. This project however concentrated on commercial property rates and on domestic rates rather than any capital funding.

Systems solutions

It was clear from the outset that computer-based technologies would offer enormous assistance to tax collectors in Wasa Amenfi West. The differences in the forms of taxation and in the geography however meant that whilst in principle the solution from either Surat or Hammersmith and Fulham was transferable, it would need specialised adaptation to conform to local characteristics and thus be sustainable in the longer



Steve Barratt from > Hammersmith and colleagues from Surat and Wasa Amenfi examine the new revenue collection software.



term. By April 2006 the delegations had a very clear idea of the system requirements and a timeframe was set for implementation. Officers at Wasa Amenfi West procured the necessary software with remote support and advice from Kandarp Mehta in Surat, and Steve Barrett, Head of Revenue Services at Hammersmith and Fulham. It was agreed that they equipment and software should be procured locally to ensure that Wasa Amenfi was able to effectively maintain they system.

The system was due for installation and trial running by May 2007 so a technical visit was arranged for June for intensive work. The visit involved

- District Finance Officer, Ebenezer Essiaw, finance officers and tax collection officers from Wasa Amenfi West;
- Norman Williams, the successful tenderer who was providing the software ;
- The Chief Accountant, Govind Pandya, and Assessment and Recovery Officer, Deepak Shukla, from Surat;
- Peter Savage, Assistant Chief Executive, and Steve Barrett.

This intensive work took place over 10 days. The team found that the system devised by Mr Williams on the brief from the three authorities was essentially sound, as was the draft contract. Some minor amendments were proposed and adopted which would make the system easier to use and therefore more effective.

Piloting the system

It was agreed to implement the system from July 2007 in two pilot villages: Asangkrangwa and Samreboi.

Collectors and officers were provided with training to use and understand the new system. It was also agreed that a proportion of the increased revenue should be retained by the villages to help fund local development projects and initiatives. Officers from Wasa Amenfi West were confident that this would significantly increase income collection (possibly by as much as 50% by the end of the calendar year) and accountability. This would be reviewed in December 2007 after which it would be rolled out across the entire district. The group also identified areas for development of the system including hand held computers for collectors working in remote areas. However such refinements are for a further phase once the core elements of the system are established and proven.

During the final visit the delegates from Hammersmith and Fulham and from Surat met with the Regional Minister for the Western Region who indicated that he valued the work and wanted to see the benefits across his whole region. The District Chief Executive, Alberto Teyki, agreed to ensure that this would happen once it had been successfully implemented within his own District.

Talking about regeneration

During the visits to Ghana discussions took place about the potential for further regeneration of the area. The District is clearly an extraordinarily fertile one where crops of high value are grown easily. In places this has been exploited already, most obviously by the Samartex Company in Samreboi who are pursuing an environmentally-friendly programme, recognised by WWF, which is centred around forestry industries; employing local people and providing power for the region.

In India the delegations visited a sugar cane co-operative which provided support for local farmers, resulting in stable prices for the farmers and greater efficiency. There are co-operatives in Wasa Amenfi West, primarily for transport, but further development of these co-operatives might be possible to benefit farmers by increasing their incomes. This might be linked to further promotion of Fairtrade within the area, or micro-investment initiatives. Setting up co-operatives can ensure both value addition and generate employment.

Niche tourism

The other area of regeneration and industry that both Wasa Amenfi West and Surat were interested in was the tourist industry.

In Surat for example there is a clear heritage trail which was visited by the delegations. It includes a wealth of interest including a fascinating range of temples. However that is far from unique in India and the combination of Surat's relative remoteness and the strict no alcohol rules of the state of Gujarat led the group to conclude that tourism for the foreseeable future would be small scale.

Wasa Amenfi West District in Ghana has similar issues taking some eight hours to reach by road from Accra. There are some moves to start a local eco-tourism programme, but the logistics of accessing the area mean this will take some time and effort before it reaches a significant level.





Project partners worked together to share knowledge and ideas and find ways to push to project to meet its goals.



Community consultation

The final issue discussed was communications with local people. Whilst cynicism with politicians and local authorities was less evident in Wasa Amenfi West than in the UK, it is inevitable that some residents have a negative attitude to public service. This was confirmed through some crude, informal opinion surveying. Attempts to collect more tax and rates will increase that cynicism in some quarters, although equally some residents will welcome the clarity and fairness of a more comprehensive system.

The team shared experiences of how communications take place within the different administrations. Wasa Amenfi West have a number of means in place to promote their work in the field of education and health and have used, for example, the 50th anniversary of independence to promote that further with printed material such as calendars. Other forms of positive promotion, such as printing short messages on the back of bills, were also suggested. At the bottom of the first column we add 'It was agreed that this will be an important factor in the wider roll out of the new revenue collection system.'

Successful outcomes

The project has been very successful on several levels:

- The revenue system is now in its early stages of operation and is expected to yield increased revenues for Wasa Amenfi West District.
- The database for the two trial villages, Asangkrangwa and Samreboi, now has 1803 records in respect of property owners and 2068 for business enterprises. It is estimated that this comprehensive set of records will generate sufficient additional income (35-50,000GHC) to an extension of the malaria relief programme for the district through water and sanitation programmes, repairs to educational facilities and the provision of a librarian. This in turn will benefit the community and is likely to feed a circle of regeneration and wealth creation. Following an internal evaluation it will be extended across the district.
- The project is valued by the neighbouring district of Wasa Amenfi East which would like to have similar support and activity. Along with the support given by the Government's Regional Minister it is clear that this programme could have a deep and significant impact.

The project is part of the UK Government Department for International Development (DFID)-funded Commonwealth Local Government Good Practice Scheme, which has been managed by the Commonwealth Local Government Forum, over the past nine years. Local authorities have been working together on a range of practical activities aimed at improving the quality, and impact on people's lives, of local government services in South Africa, India, Ghana and Jamaica.