

Council Speech: 25 March 2022

Good Morning Speaker, Aldermen, Deputy Mayor, Chief Whip, Councillors, Acting Municipal Manager, Directors, Officials, Members of the Media and Members of the Public

As we rapidly approach the end of the first quarter of 2022, I want to reflect on the progress that is being made to change the mindset of the Municipality into becoming a more professionally managed operation through improvements in processes and systems, increasing the tempo of modernisation, renewal and productivity, being more data driven, to making decisions and implementing them.

In requesting Dr Michele Gratz to undertake this assignment, we recognised many challenges at the beginning of 2021, realising that the critical ones had to be prioritised to establish the platform from which to tackle challenges that could only be undertaken much later on.

Turnaround processes are always complex, stressful and impact on the employees. Some of the changes have been necessary to ensure compliance to accepted practices, returning to a clean audit, making key appointments, getting the construction of the waste-water treatment expansion project back on track, dealing with ageing infrastructure, finding a funding solution for increasing water treatment capacity and also to take cognisance of some rapid changes that are taking place in the economy and technology. The problems within refuse collection had to be corrected as one example of improving service delivery levels. It was also clear that an overhaul was needed of internal processes, policies and by-laws, human resources practices and to restore a culture of staff discipline and a work ethic. We needed to act smarter and become more nimble.

Over the four financial years to June 2020, actual capital expenditure was R560m less than the budgeted capital expenditure. Although this trend still continued until December 2020 before changes were implemented, it is apparent that this inability to execute projects had created a significant backlog in relation to essential capital expenditure that should have been undertaken. The execution of capital projects funded from grants and other sources has improved and continues to receive close attention.

Over the past 15 months we have experienced first-hand how necessary it is that essential maintenance and refurbishment of ageing infrastructure is undertaken.

I have previously informed Council of the various challenges in managing water supply and demand. These incidents have highlighted the need to introduce technology as essential tools to monitor and manage purification and water distribution which requires access to live data and to interpret such data. In the Adjustment Budget we have already made provision to urgently acquire additional telemetry and bulk meters to provide data and controls within the water network. Further provision will be made in the forthcoming draft Budget.

The experiences in the recent months have led us to undertake “deeper dives” into various operational units while also assessing expenditure requirements for the 2022/23 financial year, interrogating available data, querying what data we should be receiving, how this would impact on possibly unaccounted revenue that we should be billing. The result is that revenue enhancement processes have been commenced.

Our policies and by-laws are being reviewed, updated and will in due course be brought to the attention of Council.

In critical areas we have had to hire staff members who have brought fresh energy into the organisation. It is becoming abundantly clear that there is a severe shortage of many skills within the local government system, especially persons with the necessary expertise for handling the management of an intermediary city.

As we progress through this change management process, you will note that we are now at the stage where more detailed assessments are being undertaken to identify shortcomings, take remedial actions to correct and modernise aspects of the operations.

Once such example is fleet management where concerns have been raised over the past few years ranging from the surge in the hiring in vehicles and equipment through to the day to day operational management and maintenance of these vehicles and equipment. Although a programme was put in place a year ago to phase in acquisition rather than hiring, time has now been allocated to undertake further investigation into the management and supervision of our fleet to correct the existing inefficiencies and poor practices.

I have recently taken a snapshot look at the growth in Debtors from February 2020 to 2022. The starting point was just before the commencement of the Covid-19 pandemic in March 2020.

Total debtors have grown by R142m over the two years from R241m in 2020 to R336m in 2021 (+39%) to R383m in 2022 (+14%).

Debtors older than 90 days have grown by R81m, from R145m to R208m (+43%) in 2021 to R226m (+9%) in 2022.

These are significant and worrying increases no doubt exacerbated by the Covid-19 pandemic. The growth in debtors older than 90 days reflects weaknesses in our Credit Control system in not timeously and pro-actively taking action to collect our Debtors.

It is however interesting to note that Current Debtors (i.e. February billings) have grown from R82m in February 2020 (just pre-Covid-19) to R101m (+23%) to R131m (+30%) in 2022. This increase is almost 60% over two years.

Even if we use the average of R116m for December 2021 and January 2022, the increase is 41%.

While these current monthly billings are indicative of recoveries taking place within the economy, the extent of the increase could also reflect the influx of new residents into George.

What I am describing here is a simplified version of the extent of the challenges that have been encountered, work that is being undertaken and still needs to be done on an ongoing basis.

Dr Gratz is to be applauded and thanked for her energy and tenacity in tackling these challenges. Even though she is being ably supported by the Directors with some of these individuals often assisting by taking on additional tasks to share some of the heavy load, it remains an enormous task to effect the change management processes that are necessary to take George to a level of excellence. Thank you Directors for your commitment and energy in making George a better place.

It is critical at this juncture that the entire management team including all managers recognise the gaps in their Directorates and ensure that all staff improve their diligence, commitment and work ethic to effect the changes required.

Significant progress has been made since 2021 in improving levels of service delivery across the organisation. We do however have to continue to instill the new levels of diligence and discipline within the organisation. This will require that supervisors and managers play their roles.

On behalf of Council, I wish to thank all our employees for embracing the change management process that we have embarked on. If we continue on this path, it will assist us in achieving our goal of being recognised as the best intermediate city in the country.

I also want to thank the MMCs, the Speaker, Deputy Mayor, Chief Whip and all councillors for the contributions you are all making in ensuring that we improve George. The MMCs are monitoring and playing their oversight roles to ensure improvements take place. In acting in the interest of the Municipality, all councillors need to diligently report and follow up on complaints where they arise.

We need to work together as a Team. We are making significant progress. We will make further reference to this progress when the draft budget is tabled on Monday 28 March 2022.

Thank you Mr Speaker.