

GRAHAMSTOWN RESIDENTS' ASSOCIATION

ANNUAL GENERAL MEETING – 22nd MARCH 2005

Chairperson's Report

The past year has undoubtedly once again been a busy one for the GRA – one that has required loyalty and commitment from members of our Management Committee. This dedicated team has embraced their portfolios tirelessly and practically all meetings of Municipal standing committees have been attended, ensuring constant scrutiny and essential monitoring of Council business. For this enthusiasm I must sincerely thank them.

During the year past the GRA continued to observe and scrutinize the machinations of the Makana Municipality and its Council, the Mayor elect and his Executive Committee, and also the CEO, aka Municipal Manager. We have also watched with interest the delivery of the departmental Directors and performance in earning their lucrative remunerations.

It is my belief that the Grahamstown Residents Association continues to play a vital role as a vigilant municipal accountability monitor, an active forum that attempts to keep its finger on the pulse that determines the civic well being of all its communities. This heartbeat of our city is admittedly at times somewhat erratic but certainly in comparison to the critical condition of some other municipalities further north, highlighted on television recently, the prognosis remains positive. Certainly without the 'healthcare' provided by the GRA the status may well be different.

In reviewing the past year I wish to briefly highlight some of the significant matters that the Association has concerned itself with during this period.

- Makana Municipality likes to view itself as one of the better-run local authorities, and certainly of the best in the Eastern Cape. Recent recognition, including a Vuna Award, testifies to this. But we must though bear in mind that this is relative, and to qualify for example for the Vuna Awards municipalities needed to have up to date audited financial records – and only three in the Eastern Cape qualified! Of concern to the GRA have been the continued problems with basic administration – these include things like committee meetings that do not start on time (anything up to 45 minutes late), meetings that are on the calendar but do not happen (meetings in March and April last year were in fact just cancelled ostensibly to allow for electioneering), meetings that are not quorate, lapses of accurate minuting, report back and follow up. Too often matters are merely “noted” in these council meetings without any proposals being made and action taken, resulting in the disappearance of the items from the agenda and effectively from the radar screen. Frustrations are also regularly expressed from Ward

constituencies on the ground who feel that their problems are not effectively captured and recommendations actioned. Clearly there cannot be effective and healthy delivery if basic administrative structures and procedures are flawed. In the light of visits from the Scorpions Unit and ongoing labour disputes it is worth noting that Makana Municipality has been a signatory to the King Report on Corporate Governance for almost two years now. This undertaking commits to principles of corporate discipline and good governance particularly at senior management level. It is further worth noting that the President, in his recent State of the Nation address, singled out poor municipal delivery as a significant problem area.

- Fiscal matters by necessity remain high on the agenda, as finance is the lifeblood of a town. Municipal debt remains unacceptably high at around the R110 Million level, and while not escalating quite at the previous rate of 10% per annum this huge accumulated debt must be addressed. The contract with Securicor, who were contracted to assist with debt collection, did not demonstrate significant success and had their contract terminated. The Municipality has now taken on this arduous task and are looking to appoint a peace officer to monitor tampering – essentially the illegal connection and reconnection of electricity and water, and tampering with meters which is rife. Prosecution in this regard is very difficult. There also needs to be committed political will to address this problem and the culture of non-payment. Interestingly some of the biggest defaulters are to be found in the West of Grahamstown. Local Government debt to the municipality has been reduced to about R14M including interest, and there has been a commitment to clear at least the capital amount.

The most recent report for the past financial year from the Auditor General was sharply critical and referred in particular to the lack of internal audit control – this not surprising as most departmental admin functions consistently overspend with the Mayor and Municipal Manager’s offices showing the way! Priorities of capital spending lags behind while salaries increased by nearly 30% to represent 45% of the budget –10% more than the accepted target. Further the AG observed that reserves are not adequately backed by funds, investments have been used to fund current liabilities, there are shortcomings in payroll selection, and the aforementioned distribution or tampering losses of 16% (R2.4M) were noted. The doubt expressed as to the cities ability to function, as a [quote]“going concern”, that can meet its liabilities in the long term is certainly disturbing. This should be a clear wake-up call to the Treasury department. Good news has though come in the form of funds from the Municipal Support Program to cover a new computer network, a data cleansing debt system, and asset register – all mechanisms that should assist in monitoring the vital signs of the monetary organ of the municipality.

Further good news is that the new Municipal Financial Management Act has been heralded in, and this state legislation will force municipalities to comply with stringent audit measures, ‘zero budgeting’ procedures, and monthly reporting mechanisms to State Treasury. Compliance is by admission of director Howard Dredge “an onerous task” with which they are “grappling”. This is also cited as reason for the slow progression of the present budget that is now months behind schedule and once again may well not allow time for the required public

participation. Alarming too is the fact that the Mayor and the Municipal Manager, who is the chief accounting officer of the municipality, are seldom if ever present at the meetings of the finance portfolio! One that is an essential organ of the municipality without doubt requiring sharp minds and intensive care.

- The Independent Audit Committee's Charter and Agreement has been signed and is now operational. This is good news and we have representation in the form of our Hon Secretary Prof Roux van der Merwe. This should assist in ensuring the municipalities constitutional commitment to participation, transparency and accountability.
- The IDP, Integrated Development Plan, for Makana has also limped along and despite legislative requirements of quarterly reporting and updating this has certainly not been complied with. What in essence should be a carefully crafted master plan for integrated delivery on all levels has remained a confused and inaccessible document – this despite the contracting of Setplan consultants to assist. This is an indictment of the Municipal Manager in particular who is responsible for the IDP, and the present Council in general. It is not surprising that this lack of delivery has lead to reference of the IDP plan standing for 'Impossible Dream Plan'. We are once again witness to sound planning and policy on a national level that fails due to poor capacity and lack of implementation at a local level.
- A provincial directive has required municipalities to review and update often out-of-date and even archaic By-laws. With many responsibilities being moved to local authorities this is certainly an area that the GRA is keeping a watching brief on. There have been some amendments to regulations pertaining to fire and safety and the library, with others in the pipeline. A requirement of these by-laws is that they are published for public comment.

Most notably at present are the proposed by-laws relating to liquor trading hours that will be controlled by local authority. The GRA made an official submission, which has generally been accepted – the proposed by-law has been published and is open for public comment. We are hoping that the municipality will be able to strike a reasonable compromise between the inevitable profit driven liquor lobby, the rights of residents, and the concerns of many tourist accommodation establishments. Certainly the present New Street scenario is unacceptable and one only has to look to Port Elizabeth's own version of Hillbrow in Central to recognize how quickly an area can degenerate. Clearly in addition to issues of noise pollution those of safety and security are of concern, and here we have had widespread support including that of Rhodes University. It is maybe also worth noting that government has a national program of Moral Regeneration that relates directly to matters of alcohol and drug abuse and related violent crimes against women and children.

- Also recently under the spotlight, and possibly under the scalpel, has been the name change issue. At present the Provincial Geographical Names Council is concerning itself with the possible changing and/or standardization of names of

cities, mountains, rivers and other major structures in the province. Local authorities will decide the issue of street names later. Under discussion at present is the name Grahamstown and Settlers Hospital. Again public participation was called for with very poor response – only about 30 people attended the meeting and only three or four written submissions were made. This is clearly disturbing when it comes to such a major issue. The GRA had already in 2002, when the matter was on the table before, made a submission. We have reiterated our position that due process must occur in a transparent and participatory manner, and that the principles and guidelines, as well as economic implications, for name change need to be clearly communicated to all communities. Further that it is essential that terms of reference must inform this process, and not just emotive responses. The GRA believes that name changes should add substance and value to a shared heritage that could strengthen rather than polarize relationships within our society. We further recognize the role it can play in reconciliation and nation building. The economy of the town depends largely on its cultural/historic tourism, education industry and ‘branding’ established nationally and internationally over many years. With this in mind we proposed that the name Grahamstown is retained but that the name Rini is included. The names Grahamstown and Rini would thus be acceptable and standardized as per national policy. Regarding Settlers Hospital we would be open to suggestions of name change, but felt that according to guiding principles names of recent politicians should be avoided.

- On matters Aesthetics the committee has eventually been given a home within the LHID (Land, Housing and Infrastructure Development) Portfolio. Unfortunately the promised workshop has not taken place and the City Engineers Department that is responsible for compiling agendas most often seems completely overwhelmed and understaffed. We have yet to witness a meaningful commitment to the aesthetics issue and still experience a distinct lack of experienced and dedicated leadership in terms of the chair of this committee, which requires a city councilor in this position. It has been noted before that Grahamstown cannot afford to have its intrinsic potential for cultural tourism and related industry devalued due to a slide in the towns aesthetics – the economic ramifications could be disastrous. Aesthetics is not just about conservation of historic buildings but ensuring that new developments within the built environ of Grahamstown are encouraged in a sensitive complimentary manner. Successes in the past year see the Hayton’s Building in High Street being restored to previous glory with original fenestration, original entrances, and an elegant paint scheme. The same Plascon colour consultants who consulted on this building are presently working with Thomas Stone, the proprietor of Fruit and Veg City, and us on the re-paint of that building. New signage for B&B’s has been approved and recommendation for city maps at the entrances to the town have been put forward. We all mourned the loss of the Lewis Stores/Cash Crusaders building, also known as Bayes’ Corner, but the good news is that there is commitment to restore it too to its previous glory. Hopefully the demise of this historic building has also resonated in the halls and offices across the road in the City Hall and there will be more vigilant attention given to ensuring the preservation of our historic built environment.
- Still outdoors and looking around – this time for the promised public toilets. While it appears that the City Hall is once again open for ‘this type of business’

we are still lacking the new amenity. Latest news is that the Mr Esterhuizen is in negotiation with the owner of the building alongside the Frontier Hotel as a possible solution. The fact that the building presently houses the ANC offices I am told has no bearing. We will continue to keep our fingers, and legs, crossed that this matter is resolved sooner rather than later.

- There are numerous other issues that the GRA has focused on that I could elaborate on time permitting – matters to do with the Hospital Board, SPCA, Bots, recycling, housing projects, the census, hospitality trade etc. We are though fortunate to have a regular monthly feature in Grocotts Mail, titled ‘This Month in Council’, which covers most GRA matters and also regular inserts in Shoppa. We are ever thankful to Roux van der Merwe, our Honary Secretary, for so tirelessly and eloquently penning these features thereby giving us a public voice and keeping our members informed. I must also again thank him for covering the rest of the association’s secretariat duties with dedication.

Once more a thank you to the GRA Management Committee who have diligently covered their relevant portfolios over the past year. We say thank you and farewell to Johnathan Hobson, Pat Lanham, Brenda Lisk (and Jan Breitenbach?) I am sure you will remain active members.

As Chairperson of the Grahamstown Residents Association I wish to express our continuing commitment to playing a constructive and meaningful role in monitoring the municipal and civic affairs of Grahamstown, to persist in our efforts to be representative of the demographics of the city, and address issues relating to all its communities.

Finally I would like to appeal to you to come forward and nominate new members for office and also importantly to renew your membership. Also to encourage family, colleagues and co-workers to join the GRA and get involved in the association to ensure succession.

Thank you.

Prof DOMINIC THORBURN
GRA Chairperson
22 March 2005