

SERVICE DELIVERY

Objective:

- To monitor, evaluate and investigate service delivery and related organisational systems and practices in the Public Service

Outputs:

- Evaluation of Department of Welfare
- Evaluation of Department of Minerals and Energy
- Survey on service delivery constraints
- Assessment of accountability through annual reports
- Case studies of management practices

"... one of Government's most important tasks is to build a public service capable of meeting the challenge of improving the delivery of public services to the citizens of South Africa. Access to decent public services is no longer a privilege to be enjoyed by a few; it is now the rightful expectation of all citizens, especially those previously disadvantaged..... The transforming of our Public Service is to be judged, rightly, by the practical difference people see in their everyday lives. That is why I am launching Batho Pele."

*Dr Zola Skweyiya,
Minister for the Public Service and Administration.
Foreword to the White Paper on Transforming Service Delivery*

Constitutional mandate

The Constitution mandates the Commission to monitor, evaluate and investigate service delivery and related organisational matters to assess the extent to which they comply with the values and principles of public administration. Along with the Constitution, the White Paper on the Transformation of the Public Service and the White Paper on Transforming Service Delivery (*Batho Pele*) have assisted the Commission to develop its work in this area. During 1998, the Commission finalised service delivery projects commenced in 1997 and launched several new projects.

Departmental evaluations

Departmental evaluations were concluded during the year under review at the Department of Welfare and the Department of Minerals and Energy. These evaluations were conducted to assess the state of administration in these departments, and to provide advice on identified problem areas. The instrument used by the Commission in these evaluations covered the critical performance areas of service delivery, human resource management, ethics, financial management, provisioning administration and information technology management.

Department of Welfare

The evaluation of the Department of Welfare was largely completed during 1997 and the report on the evaluation was finalised during the year under review. The evaluation focused on the administrative aspects of the department, as the Commission's evaluation of the Social Security Services in 1997 had already identified the major service delivery issues.

The Commission found that the Department largely met the standards of the evaluation instrument, and did so despite hindrances such as understaffing and a growing demand for its services. The Commission also made a number of proposals to address identified problem areas. According to feedback received from the Department, it has already commenced with the implementation of some of the suggested improvements.

Department of Minerals and Energy

The data collection phase of the evaluation commenced during the latter part of 1997. The Commission's attention during the reporting year was focussed mainly on the analysis of the collected data and reporting on findings.

The Department by and large met the standards as set out in the Commission's evaluation instrument. Certain matters have been identified where improvements could be effected. The Commission made specific proposals in this regard for the Department's consideration and a final report will be published following consultation with the Department.

Investigation: Department of Education (Northern Province)

The Education Department of the Northern Province Provincial Administration approached the Commission for assistance in the revision of its organisation structure. On examination of the state of education in the Province, the Department identified a number of factors that inhibit efficient education service delivery. Among these were

concerns about the current organisation structure, such as potential duplication of functions, lack of co-ordination, and indistinct lines of accountability.

The Commission agreed to investigate the following areas:

- The vertical division of functions between the head office and the various decentralised levels in the organisation.
- Horizontal division of functions between the various components on each level.
- Suitable control posts on the various levels.

Although the investigation initially focussed mainly on management posts, the Department requested that its establishment needs on lower levels also be considered during the investigation. The organisation and establishment requirements of schools and the various types of colleges under the Department were excluded from the investigation. These are matters primarily dealt with in terms of the relevant education legislation and the bargaining process with employee organisations.

The Commission made a number of proposals on the current structure, including -

- improving the functional logic of the structure by grouping homogeneous functions so as to shorten lines of communication and co-ordination;
- strengthening management support in respect of strategic planning, policy development and transformation;
- enhancing management control and oversight functions; and
- reducing the number of decentralised levels below head office (namely regional office, area office, circuit office and school) by rationalising the current area offices and circuit offices into district offices.

A comprehensive proposed organisational model was presented to the Department's top management for consideration. Discussions of the

Commission's proposals will be concluded early in the new year.

Survey on service delivery constraints

The Commission initiated a survey of Ministers and heads of department during the latter part of 1997 to identify their key concerns in service delivery. The information from the survey was to be used to assist the Commission in determining priority areas for investigation or evaluation. The responses to the survey were processed during the year under review. Of the twenty-nine (29) ministries/departments approached by the Commission, fourteen (14) responded.

It is interesting to note that the concerns highlighted are already the subject of reforms in the Public Service and are receiving attention by the relevant policy departments. These issues have also been highlighted in the Report of the Presidential Review Commission. The responses worth noting are set out below.

Rationalisation and restructuring

A theme emerging from the survey is that, while the rationalisation of the pre-1994 public services has largely been completed at the macro-level, departments have not been able to carry the rationalisation and restructuring processes to conclusion within their departments. Respondents attributed their inability to complete the rationalisation and restructuring process to the ineffectiveness of existing mechanisms at their disposal, including the voluntary severance package. Furthermore, the application of these mechanisms has negative, unintended consequences for service delivery. The problem was exacerbated by the moratorium on retrenchments and the absence of rightsizing targets.

Shortage of skilled staff

The majority of respondents identified the shortage of skilled staff as a major constraint to service delivery. One of the reasons for this problem was seen to be the inability of the Public Service to offer

remuneration competitive with that offered by the private sector.

Technical skills were seen to be in short supply in the areas of finance, administration, information technology and provisioning. Concern was also expressed about the shortage of managerial and leadership skills.

According to respondents, the shortage of skills was being compounded by limited training and development opportunities and by the absence of coherent human resource development strategies. Departments with staff shortages were finding it difficult to release staff for training when training opportunities did arise.

Lack of effective co-ordination

The absence of effective co-ordination between national departments was seen as a major constraint in policy formulation and implementation. Although departments are required to consult one another on policy matters and all departments have the opportunity to comment on Cabinet Memoranda, effective co-ordination remains elusive.

Another concern expressed was that policy development by national departments did not adequately take into account the limited and varied capacities of the provinces to implement policies and programmes. Respondents also expressed concern about the lack of authority of national departments to monitor and evaluate implementation in the provinces, for fear of being accused of infringing upon the 'autonomy' of the provinces. The scope for sectoral accountability is therefore limited, and it is difficult to develop a coherent, national overview of progress on implementation where implementation takes place at provincial level.

Budgetary process and financial management

The Commission received inputs from user departments and from the principal department, the Department of State Expenditure. Not surprisingly, the inputs from these two groups identified constraints from different perspectives.

Specific concerns raised by departments include:

- Departments are not given sufficient time to prepare budget inputs and consequently they cannot base their budget submissions on a thorough assessment of client/customer needs.
- It is perceived that officials in the Department of State Expenditure lack adequate knowledge of the departments they service and are therefore not equipped to assess their inputs.
- Although the financial management reforms envisaged through the Medium Term Expenditure Framework are intended to create a link between budgets and outputs or service, in practice, the budgetary process is input driven.
- Treasury regulations are perceived as being too detailed. Furthermore, there is insufficient delegation of powers in respect of financial matters to support the increasing delegation of powers departments are enjoying in respect of human resource matters.

The Department of State Expenditure raised a number of concerns in relation to budgeting and financial management by departments:

- Departments do not fully appreciate that limited funds are available to Government and the necessity for departments to remain within their budgets.
- Departments' budget submissions, expenditure projections and requests for funds are not accurate. Departments do not carry out forward planning.
- Cabinet memoranda do not provide adequate and accurate information on financial implications of policy proposals.
- Departments lack the capacity and skills to deal with their finances. This places an extra burden on the Department of State Expenditure to assist departments in solving problems, at the expense of investing the time in providing training to departments.

Procurement problems

Respondents saw the existing systems and procedures for major procurements to be a constraint to service delivery. They cited the major sources of frustration as the procedures and limited delegations imposed by the State Tender Board. The delays in procurement result in delays in service delivery. An alternative view of the procurement problem was presented by the Department of State Expenditure, which indicated that departments held negative perceptions of the State Tender Board and did not always offer their co-operation.

User departments experience delays in the procurement of accommodation because of the centralisation of the function by the Department of Public Works. This has a negative impact on service delivery.

Lack of professional ethos and service orientation

Respondents remain concerned by the lack of discipline and the prevalence of corruption and misconduct. They also expressed concern about the absence of a strong service ethos and the extent to which this is perpetuated by current service delivery systems, with their emphasis on administrative and bureaucratic detail.

For its part, the Commission will intensify its efforts on promoting a high standard of professional ethics. It will also launch evaluations of service delivery by departments, with emphasis on the extent to which they are complying with *Batho Pele* and delivering against the service standards they have set for themselves.

Accountability through annual reports

One of the basic values and principles of public administration enshrined in the Constitution, is that public administration must be accountable. Internationally there is a growing obligation on executive institutions to account to legislatures for their performance in managing their entrusted

responsibilities and resources. Annual reports to legislatures are increasingly being used as important accountability instruments. The Commission embarked upon a project to assess the usefulness of the annual report as an accountability instrument within the context of the South African Public Service.

The project set out to research international best practice for annual reporting and assessed a sample of twenty-four (24) annual reports (including the Commission's annual report) against these international practices.

The Commission found that annual reports in the South African Public Service, both in terms of formal requirements and actual content, fall far short of the current international practices.

The most serious deficiency in annual reporting in the South African Public Service is the poor linkage between expenditure and outputs. The problem is exacerbated when annual reports are done on a calendar year basis and outputs can therefore not be linked to expenditure for a particular financial year. Where financial information is provided, this is usually according to standard budget items, rather than in terms of expenditure on particular outputs.

Another major deficiency is the limited information provided on actual performance. Few annual reports provide information on the output targets that departments set for themselves, so it is almost impossible to make an informed judgement on the performance of the department. Where departments do provide statistical information, analysis and interpretation of statistics are left to the reader, rendering the information incomprehensible to those who are less numerate.

The type of information provided in annual reports varies significantly from department to department. There is no standardisation on the major content areas of annual reports, nor is there standardisation on the reporting period. Unlike public services in many other countries, the reporting of progress on important transversal Government initiatives is left to the discretion of departments. It is therefore difficult to obtain a comprehensive overview of

progress on these transversal issues, without approaching departments individually for information.

The Medium Term Expenditure Survey introduced by the Department of Finance and the reporting requirements stipulated in the new Public Service Regulations are important initiatives in enhancing annual reporting and accountability in the Public Service. The Medium Term Expenditure Survey requires departments to provide statements of objectives, outputs, measurable performance indicators and expenditure against outputs. In respect of annual reports, the new Public Service Regulations require departments to provide a comprehensive account of their objectives, service delivery standards and targets, as well as an account of a range of personnel matters.

The current state of annual reports in the South African Public Service is perhaps symptomatic of more fundamental problems. These include the disjuncture between departments' planning processes and the Medium Term Expenditure Framework; the absence of a strong culture of monitoring and evaluating organisational performance in the Public Service; and the absence of information systems to enable departments to provide useful performance information in their annual reports. Furthermore, departments are somewhat in the dark as to what Parliament or provincial legislatures expect them to report on.

The Commission has developed preliminary proposals to enhance annual reporting. These proposals will be discussed with the relevant central policy making institutions with a view to augmenting current formal annual reporting requirements.

Case studies of management practices

The Commission is responsible for advising organs of state on the practices that will promote the Constitutional values and principles of public administration. During 1998, the Commission piloted case studies as a method of advising departments on management practices. Three case studies were developed during 1998, identifying

management practices that have been successful in other departments.

South African Post Office: Improving customer service

The White Paper on Transforming Public Service Delivery requires all national and provincial departments to make service delivery a priority. It also provides a framework within which departments can develop service delivery improvement strategies, among which is improved performance management by means of the setting and monitoring of service standards.

The South African Post Office is an example of a service organisation that has achieved a dramatic improvement in its service delivery over the past two years. The Commission believed that the SA Post Office could be a useful case study because, like many Government departments, it provides a counter service and the nature of its service is easily understood. The success of the SA Post Office can be attributed to the following strategies:

Setting performance measures that reflect the organisation's strategic goals: The SA Post Office developed a comprehensive set of performance measures that covered processes as well as outputs. An important feature of these performance measures is that they are driven primarily from an external customer perspective.

Setting up a management information system to monitor performance: Performance information is captured by the Counters 2000 system. This management information system provides information to assist managers in forecasting, planning, scheduling and taking corrective action. In addition, the Post Office collects information on processing of enquiries through its Customer Service Centre and information on the quality of its counter services via questionnaires completed by independent consultants (Mystery Shopper Programme).

Holding managers accountable: Managers are held accountable for their performance specified in a performance contract. They are required to

meet weekly to account for the performance of their components, identify problems and propose solutions. A National Control Centre has been established to ensure effective management of the large decentralised organisation.

Redesigning operational processes: To achieve the service delivery standards they had set, the SA Post Office was compelled to make drastic changes to their operational processes. Furthermore, the redesign of the processes was done from the perspective of the customer.

Innovative use of technology: Technology plays an important role in the SA Post Office's drive to improve service delivery. In addition to large computerised databases, the Post Office has introduced teleconferencing for internal communication and an advanced telephone system that has handled nearly one million calls in a year.

External review of performance: The SA Post Office commissions an independent quarterly Performance Achievement Report on its services. The results are published independently, thereby ensuring objectivity and transparency in the performance review process.

Apart from the lessons that can be drawn from the technical aspects of this case study, there are important lessons for Government departments who wish to improve their service delivery. The process must be driven and sponsored by the Chief Executive Officer. It must be client-oriented: service users need to be consulted on their needs and kept informed of the organisation's performance. Personnel at all levels need to be committed to improving service delivery.

Department of Welfare: The Social Welfare Action Plan and the MTEF Strategic Funding Model

One of the major problems confronting the Public Service is the gap between the intentions stated in departmental White Papers and the actual delivery or implementation. The development of coherent implementation strategies and the costing of these strategies present departments with enormous

challenges. In the course of its investigations in the Department of Welfare, the Commission found that the Department had introduced two important initiatives to convert its White Paper on Social Welfare into implementable programmes. These initiatives are in the early stages of implementation and their effectiveness will only be discernible in the medium term. The Commission, nevertheless, believes that these initiatives are sufficiently advanced to be of interest to other departments.

The *Social Welfare Action Plan* (SWAP) is a strategic plan aimed at the whole welfare system. It is a bridge between the White Paper on Social Welfare and other operational documents, such as business plans of welfare departments. Specific goals are formulated and then further broken down into indicators of policy, objectives, deliverables, outputs, criteria, strategies, priorities and key performance indicators.

The benefit of SWAP is that it provides a 'master plan' for the overall design or redesign of services. It overcomes the problem of fragmentation that results from the development and implementation of several initiatives simultaneously. It is potentially a good co-ordinating mechanism. SWAP is a valuable tool in the planning-delivery-monitoring-evaluation cycle, placing a premium on accurate information for measuring performance.

The *Strategic Funding Model* developed by the Department with the assistance of external expertise, integrates the planning process with the budget process. The model is intended as a tool to assist the Department in decisions about the level and funding of welfare services.

The model provides for the definition of services, the costing of services and a value for money performance measurement of services. Services are defined in terms of type of service, size of service, the need that the service must address and the client group that must be reached. Every service is costed by means of input norms for all cost items in terms of different types and sizes of services. By weighing up the value of services against the cost, an optimum combination of services for a certain expenditure level can be chosen. A number

of variables (e.g. needs, client groups, type of service, size of service and input norms) can be manipulated to arrive at the optimal combination of inputs and outputs for a desired outcome.

The model is an aid for decision-making. While it can identify the impact of different scenarios, it is not a substitute for decision-making. Some of the critical inputs to the model are not objective, but reflect value judgements and political priorities. Consultation with the Minister and MECs in the conceptual stages of development of the model was therefore important.

As is the case with many funding models, the Strategic Funding Model is sensitive to quality of data used. Accurate information is important and this has provided the Department with a strong incentive to improve on the accuracy of its information and to upgrade its welfare data systems. The Department will also have to identify ways of collecting data routinely and cost-effectively so that the labour-intensive data collection required for testing the model is not repeated.