

# A Performance Agreement to fast track service delivery

An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship



**2010 - 2014**



REPUBLIC OF SOUTH AFRICA

# MEASURABLE PERFORMANCE AND ACCOUNTABLE DELIVERY



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## PERFORMANCE AGREEMENT

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BETWEEN

THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA

AND

THE MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

Period of agreement may 2010 to april 2014

## VISION

Since 1994, we have made some progress in many areas of our work. Government has successfully improved access to services and increased its expenditure on service delivery; however, this did not always translate into better outcomes.

We have now adopted the outcomes approach to planning our work. This involves choosing a few outputs per outcome that are measurable and have targets and for which we have identified key activities that best contribute to achieving the targets. If we achieve all of the outputs currently identified within the 12 outcomes - even if it is all we do – we will be a very successful administration. It will also mean that we need to do things differently, that we need to move away from the comfort of the familiar and take on ways of working that are different and new.

At the Cabinet Lekgotla held from 20 to 22 January 2010, we adopted 12 Outcomes that reflect our mandate and derive from the Medium Term Strategic Framework. They are:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced

11. Create a better South Africa and contribute to a better and safer Africa and World
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

The five priorities identified in the manifesto of the ruling party correspond with the first seven outcomes while Local Government and Human Settlements have been added as priorities.

All the work we do as Government relies on having a cadre of dedicated, skilled and hard working public servants who are responsive, innovative and willing to go beyond the call of duty to help realise Government's objectives. The current perception of the public service is that it is not as skilled as we need it to be; we do not have the level of management capacity we require to deliver on our mandate; we have an absence of a performance culture as there is no or little reward or sanction for good or bad performance; we have a severe problem of corruption; low levels of efficiency; and we simply do not get value for the money we pay in salaries. If we consider that the single biggest expenditure we have is salaries, then a significant improvement in productivity will increase the overall return on our investment. It is with this in mind that we ask for a very deliberate focus on the challenge of improving our public service.

## OUTCOME

For the outcome **“An efficient and development oriented public service”** you are the co-ordinating Minister and the following are the key outputs I request you and your Implementation Forum to focus on:

**Output 1: Service delivery quality and access**

**Output 2: Human resource management and development**

**Output 3: Business processes, systems, decision rights and accountability management**

**Output 4: Tackling corruption in the public service**

Outputs, indicators and key activities have not yet been identified for the “empowered, fair and inclusive citizenship” aspects of outcome 12, but I would like you lead this work as well in due course, through the Implementation Forum for this outcome.

# OUTPUTS AND MEASURES

## Output 1: Service delivery quality and access

### **Service-user satisfaction**

Satisfaction surveys of public services is an important way to assess if we are improving. The current satisfaction level of 58% is targeted for improvement to 75% by 2014. In addition we would like your Implementation Forum to develop citizen scorecards for a sample of communities and begin tracking with 2010 as the base year.

### **Responsiveness**

Public services are experienced in a number of face to face environments. We need to develop a set of measures to assess if we being responsive and improving turnaround times. I would like to see a range of reports that measure waiting times at hospitals, home affairs offices and vehicle licensing offices amongst others. More specifically, I would like to see reports on the extent to which services are reaching targeted populations. For example, the percentage of 16 year olds with identity documents could be measured.

### **Value for money**

With regard to increasing value for money (or unit cost for a defined level of service), I would like your Implementation Forum to develop baseline information on the unit cost of services, to set realizable targets for improvements in the unit cost of services, to develop plans for how these improvements will be achieved, and to produce reports on the degree to which these targets are being achieved.

### **Access**

With regard to access, I would like your Implementation Forum to develop targets for the maximum distance to be travelled by citizens to obtain access to key government services, to develop plans for the progressive realization of these targets, and to produce reports on progress with the achievement of these targets.

## Output 2: HR management and development

### **Performance development, performance agreements and assessment**

Measuring the performance of public service managers, including health and education institution manager, who have the ultimate responsibility for delivery, is crucial. I would like you to identify indicators for measuring the effectiveness of the performance management system, to produce reports against these indicators, and to use such reports to revise and improve the performance management system. For example, there should be a correlation between levels of performance and levels of service-user satisfaction and other objective measures of performance such as Auditor General reports.

The percentage of senior managers who sign performance agreements should be measured with a target of increasing this to 100% as soon as possible, and there should be a qualitative measure to assess the quality of the performance agreements.

I would like you to develop a strategy for improving the management of poor performance of DG, DDG and Municipal Manager level management. Suitable indicators must be developed, and targets set and reported on, in this regard.

### **Recruitment, retention, and career pathing**

- Measure the ability of the public service to attract top-ranking skills, set targets in this regard for various professional categories, and report on progress against them.
- Measure the duration of employment per grade of employment for the SMS levels, with a target to increase the duration, and develop a strategy to achieve the target. In addition, the strategy should ensure that SMS managers achieve minimum competency levels before moving to a higher grade.
- Measure and improve the period it takes to fill a vacancy. Target to reduce from the current 16 months to 3 months. Reduce the “real” vacancy rate. Develop a methodology to measure funded posts which are vacant and target a reduction in the vacancy rate from the estimated 11% to 5%.

### **Discipline**

With regard to the management of discipline, I would like you to measure the number of SMS managers who are disciplined and/or discharged, with the aim

of ensuring consistent application of discipline and appropriate sanctions for misdemeanours. The period for completing disciplinary processes must be reduced, especially where personnel are suspended on full pay. In this regard, benchmarks must be established and targets not exceeding 3 months must be set.

### **Human resource planning, skills development and cadre development**

With regard to HR planning, skills development and cadre development, I would like you to find a way to measure real growth in skills (both the extent and the depth of skill) within the public service with a view to establishing a baseline and target an improvement.

### **Output 3: Business processes, systems, decision rights and accountability management**

#### **PERSAL functionality**

PERSAL functionality and accuracy must be improved. A suitable indicator of this need to be identified and measured, and reports on PERSAL functionality and accuracy must be produced.

#### **SITA effectiveness**

Similarly, SITA efficiency and effectiveness must be improved. A key tool in this regard must be an end-user survey to be conducted within 2010.

#### **Supply chain management, including procurement**

Supply chain management (SCM, including procurement) must be improved across government. Key indicators in this regard include probity, alacrity and value for money. Appropriate SCM indicators must be agreed upon and measured to establish a baseline and to enable comparisons to be made with other economic sectors. Targets must be set for improvements in the indicators by 2014. A plan must be put in place to develop capacity across government to meet these targets.

#### **Delegations and decision rights**

A review of financial, human resource, and administrative delegations in departments must be carried out. A report in this regard and recommendations for appropriate levels of delegations must be developed and submitted to Cabinet.

## **Implementation of PAIA and PAJA**

Indicators must be identified for measuring the implementation of the Promotion of Access to Information Act and the Promotion of Administrative Justice Act. These indicators must be measured and targets set for improvements. Plans for how to achieve these targets must be developed and implemented.

## **Financial management**

With regard to improving financial management in departments, targets must be set for increasing unqualified audit reports. A plan for meeting these targets must be developed and implemented and there must be progress reports against the targets.

## **Organisation design**

A review of the current status of organization design of departments must be carried out during 2010 and a report submitted to Cabinet, with recommendations for improving organization design.

## **Business processes**

Indicators must be identified for measuring the efficiency and effectiveness of business processes in departments. Targets for improvements in this regard must be set, the indicators must be measured, and plans for improving business processes must be developed and implemented.

## **Output 4: Reducing corruption in the Public Service**

There must be an improvement in the corruption perception index from position 55 of 180 to 40 of 180.

A target must be set for the number of payroll and tendering corruption related disciplinary cases and convictions that are successfully completed, and a plan developed and implemented for achieving this target.

The number of South Africans approached for a bribe must be reduced - a target must be set in this regard and plans put in place to meet the target.

Whilst the focus of this performance agreement is on the outcomes, I recognize that you should continue to pay due attention to the work of your department which is not directly related to the outcomes, some of which may also require you to work collaboratively with other departments and spheres of government.

## ACCOUNTABILITY AND GOVERNANCE

I request that you facilitate the establishment of an Implementation Forum. In this forum, you and all other parties responsible for delivering on the outcome should develop a Delivery Agreement.

We have done insufficient work on developing detailed indicators and targets for the four outputs described above. Please recognize the need to strengthen these indicators and targets through the process of producing the Delivery Agreement.

The Delivery Agreement must refine and provide more detail to the outputs, targets, indicators and key activities described above, and identify required inputs and clarify roles and responsibilities. It must spell out who will do what, by when and with what resources.

Aspects that need to be described in detail are, e.g. the legislative and regulatory regime, the institutional environment and decision-making processes and rights, the resources needed and re-allocation of resources where appropriate. The Delivery Agreement should also identify clear measures on how to assess progress and should be completed by the July Cabinet Lekgotla 2010. The Presidency has provided Delivery Agreement Guidelines and will be in a position to assist you in producing the Delivery Agreement.

All departments, agencies and spheres of government involved in the direct delivery process required to achieve an output, should be party to the agreement. For outcomes involving more than one sphere of government, the Delivery Agreements will have the legal status of Intergovernmental Protocols in terms of the Intergovernmental Relations Framework Act.

Once Delivery Agreements have been completed, this forum will facilitate collaboration, and agree on interventions where required to ensure delivery stays on track and blockages are removed. This will form a strong platform to improve delivery.

## DISCUSSION AND APPRAISAL

The existing Programme of Action will be replaced by the measures, targets and key actions that make up the delivery chain for the achievement of each Outcome – called Government Implementation Actions (GIA) in future. The Implementation Forums will table short progress reports to Cabinet on a bi-monthly basis. Implementing departments will provide administrative data that will allow oversight on progress at an activity level. In addition, The Presidency will triangulate this data with budget expenditure data and output level indicators, where available.

The information on implementation progress will form the basis of regular meetings between the President and the Minister.

I expect that you will enter into a performance agreement with your Director-General that will reflect these outcomes and outputs, in addition to the other key performance areas of the Department.

Although this performance agreement is for the remainder of the term of this administration, it is possible that I may wish to update the performance agreement periodically.

I wish you the best of luck and assure you of the full support of the Presidency in your endeavours to achieve the outcomes.

## SIGNATURES

A handwritten signature in black ink on a light blue background. The signature is stylized and appears to be 'R Baloyi'.

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Mr R Baloyi, MP

Minister of Public Service and Administration

30 April 2010

A handwritten signature in black ink on a light blue background. The signature is highly stylized and appears to be 'JG Zuma'.

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His Excellency President JG Zuma

President Republic of South Africa

30 April 2010