LIMPOPO
DEPARTMENT OF PUBLIC WORKS

SERVICE DELIVERY
IMPROVEMENT PROGRAMME

SERVICE DELIVERY
LEARNING
ACADEMY

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INTRODUCTION

Focus of the paper:

SDI programme aimed at improvement of service delivery by departmental road maintenance units
• SDI programme formulated in 1996

• Received donor support since 2000, under IPSP

• Donor funding used to employ consulting teams to assist with implementation

• Started with road maintenance units in 2000, now extending to cleaning, gardening, security and building maintenance services
• Huge service delivery backlogs
• Deteriorating infrastructure due to insufficient maintenance
• Insufficient progress in addressing infrastructure backlogs
• Budgetary constraints
• Personnel expenditure crowding out other expenditure
• Inherited large staff numbers (12500 in 1994, 9200 now)
CONTEXT

- 70% of staff on levels 1 and 2
- Low skills levels, high level of illiteracy

Service delivery standards:

- Published service delivery standards in terms of new Public Service regulations, e.g. repair pothole within 3 days
- Not meeting many of these standards
CONTEXT

Characteristics of existing management:

- Focus on financial expenditure and adherence to rules and regulations rather than actual output
- Little measurement of output
- No measurement of costs per activity and cost per unit output
- Little work planning or programming (crisis management)
- Poor resource planning and utilisation
- Poor work organisation
CONTEXT

New public service regulatory framework emphasises:

- Increasing efficiency and output
- Performance management
- Devolvement of authority
- Accountability

New framework removes many bureaucratic obstacles to increasing efficiency, provides opportunities for improvement
SERVICE DELIVERY IMPROVEMENT PROGRAMME

- Reengineering of systems
- Training and capacity building
- Delegation of authority
- Performance management
- Project management methods
- Single point accountability
SDI PROGRAMME
(continued)

- Downsizing through attrition
- Moratorium on filling of low level posts
- Hiring more skilled staff
- Disposal of non-core assets
- Outsourcing of non-core functions
- Increasing efficiency of internal units (making them more business-like)
AIMS

- Improve efficiency of internal units
- Become business-like
- Improve management:
  - Setting output targets
  - Planning of work
  - Work organisation
  - Resource allocation
  - Measurement of work outputs
  - Measurement of costs
  - Monitoring of output
  - Monitoring of unit costs
- Increase service delivery without increasing expenditure
IMPROVED MANAGEMENT OF WORK

- Determine work load (services required)
- Define work activities
- Determine work methodology
- Define quality standards

Measurement of outputs, costs

Analysis of data resulting in efficiency improvements

New target productivity levels, unit costs

Quantify work load per activity

Cost estimates

Budget

Prioritise work

Produce work plans
1. Determine services to be delivered, eg:

- Repair potholes
- Blade gravel roads with a grader
EXAMPLE: BLADING

2. Quantify work load, e.g.

- Calculate total length of roads to be bladed

- Define work methodology

- Decide on quality standards (eg blade once/month, how smooth?)

- Quantify work load (total required output)
EXAMPLE: BLADING (continued)

- Determine cost per unit output
  - Calculate cost of a blading team (motor grader, fuel, spare parts, operator, assistant, caravan)
  - Carry out work studies to determine production per team, agree on production targets with teams (eg 50 km per team per day)
  - From above, calculate projected unit cost (R/km blading)
EXAMPLE: BLADING (continued)

4. Prioritise work

- From the work load and the cost per unit output, determine funds required to do all the blading required

- Prioritise within limited funds

- Set annual work plans based on priorities and production targets
Annual work plans include:

- What work to be done, how much, when and where
- Planned outputs per team per day
- Planned unit costs per activity
- Budget allocations per activity
- Cash-flow forecasts for the year
- Identified resource requirements and planned resource allocation, per cost centre and per activity, including:
  - Materials
  - Machinery
  - Labour
EXAMPLE: BLADING (continued)

- Measure and record actual outputs
  - Actual outputs per team measured and recorded daily
  - Weekly and monthly production reports submitted to management
  - Management analyse production records and unit costs
  - Management take corrective actions to improve output per unit cost
IMPLEMENTATION PROCESS

• Consultants work with regional managers to show them the improved management methods

• Start with pilot districts

• Managers who have been trained in the pilot regions are sent to show the changes to the managers in the other districts
PROGRESS TO DATE

- Different districts at varying stages of development in terms of adopting the improved management methods

- 389 staff received various training, including in measurement, preparation of reports, and project management methods
SOME RESULTS OF SERVICE DELIVERY IMPROVEMENT PROGRAMME TO DATE
IMPROVED BLADING PRODUCTION AFTER IMPLEMENTATION OF SDI PROGRAM

Note: Production after SDI based on average of three months April – June 2002
COST REDUCTION SINCE THE IMPLEMENTATION OF SDI PROGRAM

Note: Cost after SDI based on average of three months April – June 2002
QUALIFICATION OF RESULTS

- “Previous” output figures to be treated with caution – anectodal

- Insufficient quality standards and monitoring of quality resulting in lack of consistency in quality

- Accuracy of measurement and data capturing is still problematic in most districts
DIFFERENCES BROUGHT ABOUT BY THE PROGRAMME

- Change from ad-hoc or crisis management (based on reacting to loudest complaints) to management by objectively determined plans

- Previously there was no quantification of work to be done, no cost estimates, no detailed planning based on the available budget, no rational allocation of resources, and no measurement of outputs and cost of outputs

- Change from planning according to set general norms to dynamic, changing plans (constant improvement)
- Change in culture from instruction and rule-oriented culture to output-oriented and cost-conscious culture

- Monthly reports on outputs and unit costs empower managers to identify problem areas and take corrective actions (without such information managers were working in the dark)
CHALLENGES

- Regulatory framework for procurement
- Provision and repair of government vehicles
- Budgetary constraints leading to resource constraints
- Numeracy and literacy problems (affects measurement and recording of outputs)
- Reliability of information in reports provided by cost-centre managers and district managers
• Lack of skills in IT, planning, work organisation, analysing reports

• Difficulty of employing more skilled staff because of the excess personnel problem in the province

• Overcoming former dominant culture (rule-oriented, not cost-conscious)

• Sustainability after removal of external assistance

• Regional managers and managers at head office not yet analysing monthly reports sufficiently

• Resistance to recording of outputs and costs and production of reports (not seen as job function because not done before)
FUTURE PLANS

• Start bench-marking outputs and unit costs against the private sector

• Link department-funded training more closely to SDI needs (eg ABET focus on work activities)

• Ensure that consultants focus on capacitating key staff

• Creation of permanent SDI posts on organogram at Head Office and in Districts, to champion and continue to drive the process, and to monitor quality of work and accuracy of reports

• Now starting similar programme with internal cleaning, gardening, security and building maintenance teams
• Develop managers’ skills to analyse reports and decide on actions to improve efficiency further

• Include analysis of reports and taking corrective actions in managers’ performance agreements

• Include daily recording of outputs and production of weekly and monthly reports in supervisors’ performance instruments

• Use performance management system (PMS) to introduce incentives (reward work teams with high outputs and low unit costs)
CONCLUSIONS

- Participatory approach has been key (plans are developed with, and agreed to by, the work teams)

- Improvement in resource utilisation, outputs and unit costs can be achieved by introducing modern management methods

- Outside help invaluable, but ownership of the change process by management and careful management of consultants are required to avoid dependency

- Long-term process to achieve success
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