

# SNDB Re-Launch

City Support Programme SNDB phase 1:  
What have we achieved, What have we  
learnt, and What are key emerging themes

1 October 2019



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



SUPPORTED BY

**THE WORLD BANK**

IBRD • IDA | WORLD BANK GROUP

# What have we achieved: 2015 – 2018?

- Following DB SA 2015, key question was ...
- How do we work with City SNDB teams to improve City performance on key DB indicators ahead of the 2<sup>nd</sup> Survey in 2018?

## Achieved: City Reform Action Plan System & Processes

- CSP Phase 1 set out a process of collaborating with 9 participating cities to *develop Reform Action Plans (RAPs) for each of the 3 indicators* for which Cities bear a service delivery responsibility (Getting Electricity, Dealing with Construction Permits, Registering Property)
- A template for the City Doing Business (DB) RAP was developed and circulated to all 9 City SNDB Focal Points & SNDB Coordinators
- *RAP to signed by the City Manager (CM) for top down accountability*
- The RAP template was relatively simple – Set out City Vision for DB Reform in this indicator, identify 3-4 key interventions that would improve City performance over the next 2-3 years, break each intervention down into key outputs led by a specific senior manager, specify quarterly milestones for progress in implementation
- *3 City Peer Learning Events* were convened to facilitate City peer learning as part of RAP development
- Only 1 City submitted in time. The 8 other cities submitted their RAPs over a period of 2 years, with final RAPs of varying quality submitted by end 2018

# City DB Reform Action Plan System & Processes

- WB Technical Assistance was offered to select cities given limited budget to facilitate their RAP development and ensuring SNDB performance improvement
- *Getting Electricity*: international expert: Andres Detomasi – support offered to JHB (City Power), NMB, EKU, TSH, MAN
- *Dealing with Construction Permits*: international expert Andrew Minturn, local expert Rakesh Beekum – ‘as is’ and ‘to-be’ process mapping support offered to BCM, ETH, TSH, EKU, JHB
- *Registering Property*: International Expert Gavin Adlington, local expert Rakesh Beekum (support targeted to JHB, with Gavin Adlington providing City-wider Rates Clearance automation recommendations)
- WB TA and City RAPs initially focused on process optimisation – reducing time and number of procedures
- Some positive results recorded in DB SA 2018 but increases in costs, particularly in construction permits, and additional procedures had a negative impact
- NB for City RAPs to take a wholistic approach across time, cost, number of procedures and the quality indicator

# City DB Reform Action Plan System & Processes

- The 2016 request for RAPs turned out to be a far more arduous task than initially envisaged
- Cities immediately differentiated based on varying City CM and Senior Management Commitment to the reform process as well as varying technical team capabilities
- Key factor is Political Leadership and CM & Executive Management transversal accountable
- For instance, CT's SNDB reform progress tabled on Mayor's City progress dashboard on quarterly basis, and RAP KPIs integrated into Departmental scorecards and Individual Performance Agreements
- Other Cities have followed suit – ETH has achieved significant process optimisation reforms in Dealing with Construction Permits, although Getting Electricity and Registering Property reforms have lagged given supply chain management & IT system reform issues
- Mangaung has achieved dramatic improvements in Registering Property through automation of its rates clearance
- NMB has further optimised processes in Dealing with Construction Permits and moving to automation

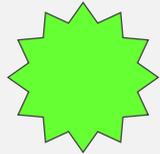
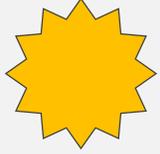
# City DB Reporting Systems and Processes

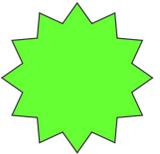
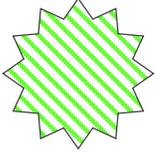
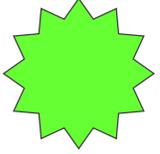
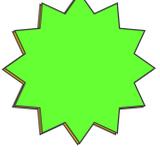
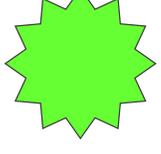
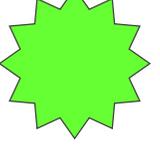
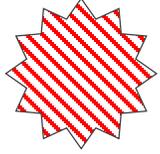
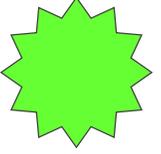
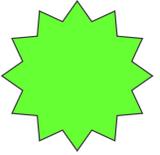
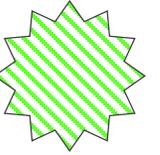
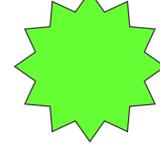
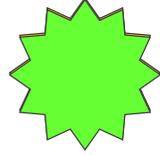
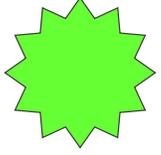
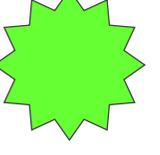
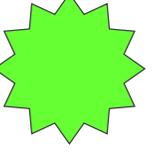
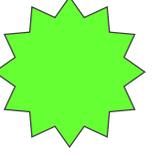
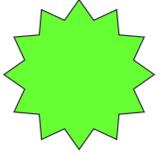
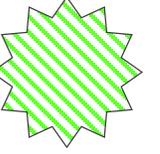
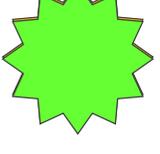
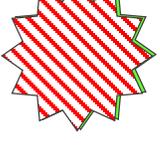
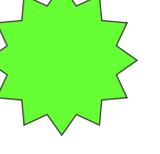
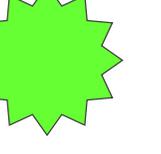
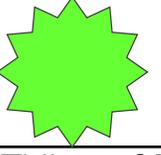
- To ensure implementation of the City DB RAPs, in 2017 CSP initiated a *City DB Quarterly Progress Report on each of the 3 RAPs*
- The City DB Quarterly Report templates is adjusted for each specific quarter so that the Cities report their RAP implementation for the requested quarter according to the milestone set out in their FY RAP.
- Reason for variance is requested as is corrective action and responsible senior manager
- City DB Quarterly Progress reports are required to be CM signed to ensure top down accountability and submitted to NT CSP SNDB Coordinator by due date (usually a calendar month after the quarter end)
- City DB RAP and Quarterly Progress Report submission status is then reported in dashboard format to City Budget Forum, ensuring peer review & accountability

# City DB Reform Action Plan System & Processes

- In FY 2019/20 CSP adopted a new RAP template, that had been piloted by CT in FY 2018/19
- The new RAP template (a summary Word document and more detailed Excel spreadsheet) emphasises senior manager accountability for delivery of key interventions that are disaggregated into specific tasks, accompanied by assigned budget and colour-coded implementation dashboard
- Aim is to enhance senior management accountability for RAP implementation, strengthening and accelerating SNDB reform
- Given City inputs, RAPs were requested to be updated for the FY 2019/20 (1 July 2019 – 30 June 2020), following the FY cycle to facilitate alignment and integration into City performance management and accountability frameworks
- Training was offered to all 8 metros

# Reform Action Plans for current FY 2019/20

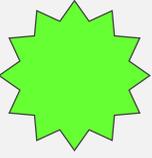
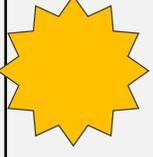
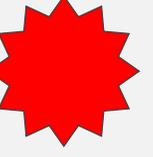
	Reform Action Plans submitted, on target		Reform Action Plans not yet submitted, likely on target		No Reform Action Plans completed or submitted
--	--	--	---	--	---

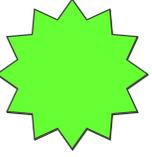
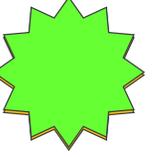
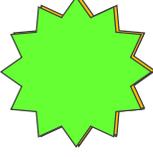
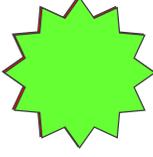
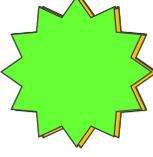
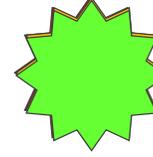
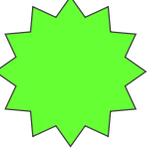
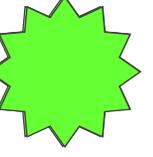
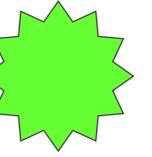
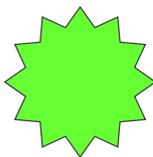
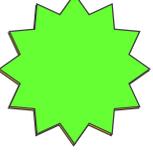
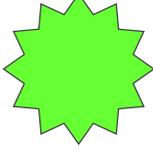
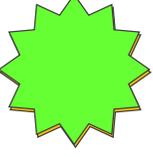
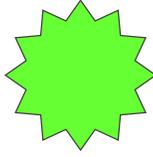
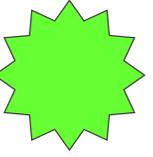
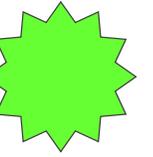
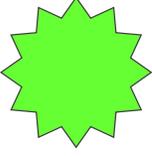
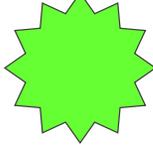
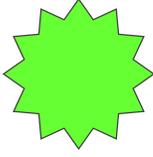
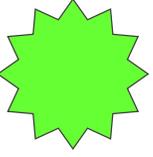
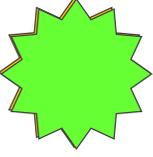
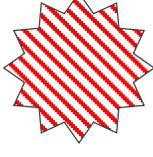
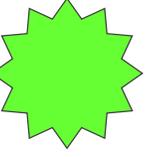
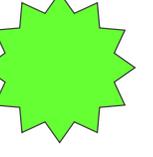
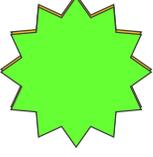
	JHB	CCT	ETH	TSH	EKU	NMB	BCM	MAN	
Dealing with Construction Permits									
Getting Electricity									
Registering Property Automation of Rates Clearance									
Titling of RDP & Low Value Houses									

Note: ETH is the only city to have completed RAP for Titling of RDP & Low Value Housing, CT had completed 3-year RAPs for 2018-2021 through detailed log-frame process – update in Sept 19, BCM’s Dealing with Construction Permit RAP & EKU Registering Property RAP are undergoing revision given significant technical team changes in the last 2 years, with the new teams not yet familiar with the WB Technical Expert Recommendations to BCM on As Is and To Be Process Mapping, and in EKU the automation of rates clearance

# Progress Reports

## Q4: FY 18/19: April-June 19

	Progress reports submitted, on target		Signed progress report not yet submitted, likely on target		No progress report completed or submitted
--	---------------------------------------	--	--	--	---

	JHB	CCT	ETH	TSH	EKU	NMB	BCM	MAN	
Dealing with Construction Permits									
Getting Electricity									
Registering Property Automation of Rates Clearance									
Titling of RDP & low value houses									

Note: NMB has submitted progress report on Registering Property but little detail, no response to request for clarification

ETH is the only city to have completed RAP for Titling of RDP & Low Value Housing

# Lessons: 2015 – 2018?

- **Challenge: How to incentivise SNDB Reform with a Transversal Focus?**
- SNDB focal points & coordinators have raised challenges about championing & being accountable for SNDB reforms that are implemented by other departments
- So what happens if one or more departments do not perform?
- What is the consequence? What is the corrective action?
- Transversality of SNDB reform programme often used as an excuse for inaction and non-delivery
- **Question:** Does the submission of updated RAPs & quarterly performance reports signed by CM bring greater accountability and make an impact?
- Question: How to ensure RAP reform intent reflected in City budgets (ring-fenced “SNDB reform-budget line item” in CM’s Office, Reform targets in Senior Manager KPIs ?)
- **Question:** What is the possibility of using the BEPP and the Integrated City Development Grant (ICDG) to incentivise performance?
  - ... tried in FY 2019/20

# Achievements: WB Technical Expert Support & Peer Learning

- As stated, WB Technical Expert Assistance was offered to selected Cities given limited budget – aim to provide technical recommendations to improve the quality of RAPs as well as the implementation of such
- *Getting Electricity*: international expert: Andres Detomasi – support offered to JHB (City Power), NMB, ECU, TSH, MAN
- *Dealing with Construction Permits*: international expert Andrew Minturn, local expert Rakesh Beekum – ‘as is’ and ‘to-be’ process mapping support offered to BCM, ETH, TSH, ECU, JHB
- *Registering Property*: International Expert Gavin Adlington, local expert Rakesh Beekum (support targeted to JHB)
- City technical teams in general were very eager to engage with global & local TAs, and technical proposals outlining global best practice was generally well received
- But lesson is that reforms happened mostly in cases where technical experts spent extensive time with teams
- Going forward, the **twinning of international TA with local TA is critical to ensure that reform recommendations are ‘pulled through’** – JHB support has highlighted the extent of handholding and daily operational support that is required to ensure greater reform traction

# Achievements & Learnings: Peer Learning

- 4 City-wide peer learnings in 2016 & 2017 complemented the individual City TA, ensuring all 9 cities benefitted from international and local best practice
- Individual City to City peer learning engagements were encouraged but not CSP led – rather individual cities were encouraged to take initiative on such
- Direct city level engagements (one city learning directly from another and replicating systems) seem to have yielded more results than peer learning events.
- **Question:** City-wide peer learning events are key to City networking and building relationships, but what should their frequency be? Annual? And should they be supported by an actively designed & promoted schedule of schedule of direct city level visits in the time between.
- **Question:** Top performing cities have requested participation in global peer learning events to ensure that they also have opportunity to learn and improve their performance

# Achievements: SNDB Focal Point

- SNDB Focal point plays a role in the upward transversal management of political and Executive Management accountability
- City SNDB Focal Point located in City Econ Dev department – CT, ETH, JHB, NMB, BCM
- Key advantage is that City SNDB Reform Agenda part of wider City Investment Promotion Strategy that is transversal in scope and implementation
- In TSH SNDB at Strategic Management Unit, MAN in Development Planning
- Key requirement is for SNDB Focal Point to be located where best each City is able to effective transversal management accountability
- CT is only city that has made bold shifts in this regard, placing economic strategy in the Mayor's office and raising the profile of SNDB on the Mayor's quarterly performance dashboard.
- Key success factor = level of political top-down accountability for SNDB that provides city-wide leverage to the SNDB focal point through the City Manager and Executive Management team.
- Next step: Replicate CT's political top-down accountability in JHB, ETH and other cities

# Achievements: SNDB Coordinator

- The **City SNDB Coordinator is the 'Go To' person** for the City SNDB Programme
- Reporting to the City SNDB Focal Point, the City SNDB Coordinator's role is to ensure:
  - (i) *Technical Transversal Coordination of the SNDB reform process and timeous submission of robust technical inputs* (Revision and Updating of Reform Action Plans, Completion and submission of robust and timeous Quarterly Performance Reports (signed by CM) for the 3 indicators – Getting Electricity, Dealing with Construction Permits, and Registering Property
  - (ii) *Technical Transversal Coordination of the SNDB survey process for the City* (completion and submission of the Public Sector Survey inputs, robust participation and engagement at the Right of Reply mission and launch engagements,
  - (iii) *City SNDB / investment promotion activities*, including City-level Business Associations and media conferences for each of the 3 indicators – GE, DwCP, RP (from 2019 onwards)
- **Key Lesson is that Dedicated City SNDB Coordination Capacity is critical to ensure robust City SNDB platform and nexus point**

# Achievements: SNDB Coordinator

- SNDB Reform process has been increasingly complex for each of the 3 indicators – Dealing with Construction Permits, Registering Property and Getting Electricity – with the WB Doing Business measurement of efficiency (time, cost, number of procedures) as well as quality (an additional indicator specific quality component added)
- Quality indicator requires a transversal team engagement on each indicator
- For *Getting Electricity*, reliability of supply is complex in the context of system installation and interoperability;
- For *Dealing with Construction Permits*, the next steps involve inter-team collaboration & process optimisation across Town Planning and Building Management before moving towards automation;
- For *Registering Property*, the extent of Property Titling in the City requires additional lead on titling of RDP and Low value houses by Human Settlement in the RP indicator process led by Revenue

# SNDB Reform is about Relationships & Process Management

- These transversal processes do not happen automatically –
- They are started, pushed and drawn through at every point by the City SNDB coordinator,
- ..Supported by SNDB Focal point, and working together with the SNDB Technical Team leads and the NT SNDB Coordinator and WB Technical Experts
- **SNDB reform action plan implementation more successful when:**
- Strong relationship between CSP City Lead and City CSP Coordinator,
- Between SNDB Focal Point and SNDB coordinator to City CM/Exec and City SNDB Technical Team leads

# CSP Phase 2: SNDB in FY 19/20

- Aligned to the national DB vision :
- *“Improve government business regulatory processes by optimising processes and using technology and digitisation to drive business process efficiencies, complemented by associated legislative reform.”*
- CSP Phase 2 next steps are to...
- Ensure adequate budgeting and resourcing for City RAPs
- Ensure that the RAPs are integrated into Mayoral dashboards, City Scorecards, Executive Management / Senior Management Individual Performance Plans (IPPs)
- CSP planning and delivery of much more stringent and sophisticated arrangements for support and accountability
- Here SNDB part of CSP Transversal Management interventions – CoJ, TSH, ETH
- *Key questions raised around what type of Direct City Support/ Technical Assistance, Peer Learning & Reporting will facilitate faster and deeper SNDB reform progress*

# What is missing?

- Key missing ingredient is **behavioural change management towards reform**
- A **Customer Focus and Mindset in Cities**
- **Stronger relationships with private sector stakeholders and customers**
- Co-creation of reform solutions with the private sector
- .. In a way that reinforces accountability and removes opportunities for rent-seeking – by both city and private sector agents
- **Change management processes are not easy, are often controversial and require different skills sets to manage than advising only on technical terms**
-

# SNDB Reform is a Continual Process

- In conclusion, SNDB reform is
- .. Transversal
- ...Not easy quick win – but often involves difficult transversal reforms that require constant intervention and change management process
- ... a continual process of improvement
- .... Requires a change in mindset towards customer orientation and co-creation of reform solutions together with private sector stakeholders
- Need to change the narrative and perception of the private sector towards seeing government administrative services are efficient, easy to use and make it easy for firms to do business, invest and create jobs
- To do that, **business services must be exactly that – efficient and easy to use; success stories must be celebrated and challenges or difficulties quickly and efficiently addressed**

Thank you



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**